

# **EXHIBIT 2**

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PACIFIC GATEWAY CONCESSIONS LLC

**UNITED STATES DISTRICT COURT**

**NORTHERN DISTRICT OF CALIFORNIA**

CHRISTOPHER HUFFMAN, individually,  
and on behalf of other members of the  
general public similarly situated,

Plaintiff,

v.

PACIFIC GATEWAY CONCESSIONS LLC,  
a California limited liability company; and  
DOES 1 through 100, inclusive,

Defendants.

Case No. \_\_\_\_\_

**DECLARATION OF GABRIEL AVILES IN  
SUPPORT OF DEFENDANT'S NOTICE OF  
REMOVAL OF ACTION**

I, Gabriel Aviles, declare:

1. I am the Project Manager and Regional Loss Prevention Manager of Pacific Gateway Concessions, LLC ("PGC"), and in that capacity, I exercise authority and control over PGC's business records. I began working for PGC in May 2013 as the Regional Loss Prevention Manager. I held that position until 2015 when I became the Human Resources Manager. I served in this position until 2016 when I was promoted to my current position of Project Manager and Regional Loss Prevention Manager. I make this declaration based on

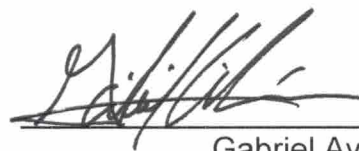
1 personal knowledge, or where expressly noted below, upon knowledge I have obtained  
2 from PGC's business records. If called as a witness, I could and would testify competently  
3 to the facts stated herein. I make this declaration in support of PGC's notice of removal to  
4 federal court of the action filed by plaintiff Christopher Huffman against PGC in the  
5 California Superior Court on January 18, 2019.

6 2. PGC runs airport concessions operations (retail/food and beverage) at  
7 several airports. PGC's employees at some airports are unionized, and have worked and  
8 do work subject to collective bargaining agreements (CBAs) between the unions and PGC.  
9 These include the several CBAs into which PGC entered or which were assumed by and  
10 assigned to PGC, true and correct copies of which are attached as **Exhibits A, B, C, and D**  
11 hereto. Exhibits A and B are CBAs applicable to employees and PGC at the San Jose  
12 International Airport. Exhibit C is a CBA applicable to employees and PGC at the San  
13 Francisco International Airport; a new CBA for that location is currently being negotiated.  
14 Exhibit D is a CBA applicable to employees and PGC at the Sacramento International  
15 Airport; PGC's operations thereat have ended and are now closed.

16 3. Based on my review of PGC's business records made and maintained in the  
17 regular course of its business, Mr. Huffman worked for PGC at the San Jose International  
18 Airport from 2013 to 2016, and Mr. Huffman was an active member of the union thereat.

19 4. Based on my review of PGC's business records made and maintained in the  
20 regular course of its business, Mr. Huffman earned more than 30% of the California  
21 minimum wages applicable to the period of four years before he filed his complaint against  
22 PGC (i.e., from January 2015) until he resigned his employment in 2016.

23  
24 I declare under penalty of perjury that the foregoing is true and correct. Executed on  
25 April 3, 2019.

26  
27  
28 

Gabriel Aviles

# EXHIBIT A



**Areas USA SJC and UNITE HERE Local 19, Arbitrator's Award, Tab B**

This Agreement is made by and between AREAS USA SJC, LLC, doing business at Mineta San José International Airport (hereinafter referred to as the "Employer"), and UNITE HERE Local 19 (hereinafter referred to as the "Union") covering certain employees of the Employer at Mineta San José International Airport.

WHEREAS, it is the desire and intention of the parties to provide orderly collective bargaining relations between the Employer and the Union, to secure prompt and equitable disposition of grievances, to promote the economic welfare of the Employer and its employees, and promote good relations between the Employer and employees for their mutual benefit.

WHEREAS, both parties mutually pledge that they will cooperate with each other in good faith in the enforcement of the terms of this Agreement so as to secure uninterrupted operations of the business of the Employer in rendering service to the general public and continuous employment of the employees and general stabilization;

THEREFORE, the parties hereto mutually agree as follows:

**ARTICLE 1 - RECOGNITION**

1.1. The Employer recognizes the Union as the exclusive bargaining representative for collective bargaining purposes concerning the negotiable terms and conditions of employment of all employees covered in classifications listed in Exhibit A (referred to hereinafter as "Employees") in all food/beverage and news/gifts/retail operations ("Operations") at Mineta San José International Airport ("Airport") which during the term of this Agreement are operated by or substantially under the control of the Employer. The term "Employer" shall be deemed to include any person, firm, partnership, corporation, joint venture or other legal entity substantially under the control of the Employer covered by this Agreement, or one or more principal(s) of the Employer covered by this Agreement, or a subsidiary of the Employer covered by this Agreement, or any person, firm, partnership, corporation, joint venture or other legal entity which substantially controls the Employer covered by this Agreement: and where the Employer or its parent, principal or subsidiary has at least 49% financial interest in the entity and no other, unaffiliated entity has an interest greater than Employer's.

1.2 Supervisors, as defined by the National Labor Relations Act, will not perform bargaining unit work except for purposes of training, to relieve employees on break or in the event of a legitimate business emergency, which includes unanticipated peaks in business volume. Any questions arising out of the application or interpretation of this article shall be subject to the arbitration provisions of this agreement.

1.3 The Employer shall not enter into any agreement with any individual employee covered by this Agreement the terms of which conflict with any of the terms of this Agreement.

1.4 Whenever in this Agreement the masculine gender is used, it shall be deemed to include the feminine gender.

## **ARTICLE 2 - UNION MEMBERSHIP AND EMPLOYMENT**

### **2.1 Membership:**

- a. Only members in good standing in the Union shall be retained in employment. For the purpose of this Article, "members in good standing" shall be defined to mean Employee members in the Union who tender the periodic dues, reinstatement fees and initiation fees uniformly required as a condition of acquiring or attaining membership in such Union. Non-members of the Union hired by the Employer must complete membership affiliation immediately following the thirtieth (30th) day of employment and the Union agrees to accept said non-members into membership on the same terms and conditions generally applicable to other employees.
- b. Upon written notice from the Union of failure on the part of any individual or Employee to complete membership in the Union as above required, or of failure to continue payment of dues to the Union, the Employer shall, within seven (7) days of such notice, discharge said Employee.
- c. The Employer agrees to provide, assist in the completion of, and remit any forms necessary to perfect membership in the Union.

### **2.2 Hire From Any Source:**

- a. The Employer shall notify the Union of job openings within the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Employer shall not discriminate against any applicant referred by the Union. The Employer shall notify the Union office of the name, address, classification and date of hire/termination of each Employee covered by this Agreement and immediately upon hiring/termination of such Employee. New employees may be hired from any source, however, any person employed in a job classification covered by this Agreement shall be advised at the time of hire that the Company is operating under a Union Contract.
- b. The Union agrees to accept such persons for membership upon terms and qualifications not more burdensome than those applicable at such time to other applicants of the Union.

### **2.3 Orientation:**

Within five (5) calendar days following a new employee(s) being hired by the Company, the Union will be provided with the name, classification, address and hire date of said new bargaining unit employee(s). A union representative or Shop Steward

shall be afforded the right to meet with all new hires for a maximum of thirty (30) minutes within ten (10) calendar days of the new employee's first work shift. The Company will arrange a private location for this meeting.

#### **2.4 Initiation Fees and Dues:**

- a. The Employer agrees to deduct Union initiation fees and monthly dues from employees' earnings as provided herein. Deduction shall be authorized in writing by the employees on Dues Deduction Authorization and Assignment forms supplied by the Union. The Employer shall furnish the Union on a monthly basis a list of those employees for whom deductions have been made, including the amount of those deductions and the employees' Social Security Numbers. The information shall be in electronic form. Said deductions shall be made each month, and shall be remitted to the Union not later than the fifteenth (15<sup>th</sup>) day of the following month. At the request of the Union, the Employer will send the monies deducted each month directly to the Union's bank account.

#### **2.5 Quarterly Reports:**

(a) The Company agrees to provide the Union with a quarterly seniority list. The list shall include each employee's full name, address, phone number, rate of pay, Company date of hire, and Classification(s) date of hire. The information shall be provided in Excel or similar format.

(b) The Parties agree that maintaining and protecting employees' privacy is of paramount importance. The Parties recognize that employees have strong privacy interests in their personal information including social security numbers, home addresses and phone numbers. The Parties agree that each will take appropriate steps to protect and maintain employees' privacy with respect to this information.

#### **2.6 Voluntary Political Deductions:**

The Employer agrees to honor voluntary political deductions authorizations from its employees in the following form:

The Company shall deduct and transmit to the Treasurer of UNITE HERE TIP Campaign Committee the amount of contribution specified for each payroll period or other designated period worked from the wages of those employees who voluntarily authorize such contribution at least 7 days prior to the next scheduled pay period, on the form provided for that purpose by the UNITE HERE TIP Campaign Committee. These transmittals shall occur no later than the fifteenth (15<sup>th</sup>) day of the following month, and shall be accompanied by a list setting forth as to each contributing employee his or her name, address, occupation, rate of PAC payroll deduction by the payroll or other designated period, and contribution amount. The parties acknowledge that the Company's costs of administration of this PAC payroll deduction have been taken into account by the parties in their negotiation of this Agreement and have been

incorporated in the wage, salary and benefits provision of this Agreement. The company shall send these transmittals and this list to: UNITE HERE TIP Campaign Committee, 275 Seventh Avenue, 11th floor, New York, NY 10001, Attention Treasurer.

## **2.7 Union Stewards:**

The Union shall have the right to designate up to six (6) shop stewards who shall represent the Union for the purpose of presenting and adjusting grievances. The Union shall advise the Employer in writing as soon as practicable of the names of the employees who it appoints to act as Union Stewards. The Employer shall not be required to recognize any employee as a Union Steward until and unless it has received the aforementioned written notification. Union stewards shall be considered representatives of the Union, and they may carry out their duties in any terminal. Union stewards agree to conduct their Union duties in a manner that does not interfere with the Employer's operations or with employees' duties during scheduled working hours, except where management agrees otherwise. Once per quarter, at the request of the Union, said shop stewards will be permitted to attend educational trainings by the Union. The trainings will be no more than one day per quarter. The Employer will pay the Shop Stewards for the time lost for attending said trainings.

## **2.8 Union Representative:**

The Employer shall permit authorized representatives of the Union access to visit the employees' work sites at reasonable times for the purpose of Union business. Upon entering the facility, the Union representative shall notify the manager on duty of his/her presence in the facility, provided there is a manager on duty readily available. The Union agrees that during such visits its representatives will not engage in activities that are disruptive to the Employer's operations, such as pulling employees away from their work area or engaging in conversations while they are serving customers.

## **2.9 Security Approval:**

The Employer agrees to complete application forms for security badges and direct the Union to the appropriate security facility to facilitate the Union's access to bargaining unit members. Any security badges provided to the Union shall be provided in the Union's name, rather than the Employer's. In the event that the Union is unable to obtain a badge, the Employer will take all permissible and necessary steps to assist the union in obtaining a badge and the Union agrees to accept full responsibility and hold the Employer harmless for the conduct of any individuals wearing such a badge. The parties agree and recognize that the ultimate issuance of security badges is within the sole and exclusive control of the Airport authorities. The Union accepts responsibility for the return of the security badges to the Airport and shall bear the costs of such security badges.

## **2.10 Union Buttons:**

While on the job employees may wear Union buttons and Union Lanyards, so long as the wearing of such buttons and lanyards does not obscure or interfere with the employees' uniform. The buttons may not exceed one and one-half (1-1/2) inch in diameter and shall not contain offensive language.

#### **2.11 Bulletin Board:**

The Employer agrees to provide a bulletin board or posting area in each unit or worksite. Postings shall not contain defamatory text toward the Employer, its representatives or the Employer's client.

#### **2.12 Indemnification:**

The Union agrees to defend, indemnify and hold the Employer harmless from any liability or expense incurred by the Employer arising from the Employer's action pursuant to this Article.

### **Article 3 – MANAGEMENT RIGHTS**

Except as expressly and specifically limited or restricted by a specific provision of this Agreement, The Company has and shall retain the full rights of management and direction of the Company's operations. Such rights of management include, but are not limited to, the following: the sole right to manage its business and direct the workforce, including the rights to: establish new jobs and operations; change materials, processes, products, equipment, uniforms and operations; decide the number and location of facilities, the machinery and equipment, the products to be produced or sold, the schedule of work and the processes of work or assembling; to establish and publish rules of conduct, uniform standards, appearance standards, safety and performance standards; to schedule and assign work and the number of hours to be worked and to hire, rehire, promote, recall, discipline and discharge for cause, transfer or lay-off Employees for lack of work.

### **ARTICLE 4 - LABOR MANAGEMENT COMMITTEE**

A labor/management committee shall be established to discuss matters of mutual concern to the Employer and the Union for the purpose of promoting better understanding between the parties. The committee shall consist of not more than Six (6) representatives from each party to be designated in writing by each party to the other. On a case by case basis, the parties may agree to add more representatives. Meetings shall be held at mutually agreeable times and locations so as to apprise the other of problems, concerns, suggestions, etc. related to the operation and the workforce. A written agenda shall be established for each meeting. Meetings shall be held quarterly. The results of such meetings shall neither alter the provisions of this agreement nor be construed as continued negotiations over the terms and conditions



set out in this agreement, nor shall such meetings be considered as a step in the grievance procedure.

**ARTICLE 5 - NON-DISCRIMINATION** Neither the Employer nor the Union shall discriminate against any employee or applicant because of such employee's or applicant's race, color, religion, sex, age, national origin, creed, sexual orientation, marital status, physical handicap, veteran status or other protected status under applicable City, State or Federal non-discrimination laws. No employee shall be discriminated against because of their membership in the Union or because of any lawful activities by such employees on behalf of the Union.

**ARTICLE 6 - RESPECT AND DIGNITY**

The Employer and Union agree that each employee and supervisory representative of the Employer shall be treated with dignity and respect. Verbal abuse, threats or harassment by employees, managers, representatives of the union, or supervisors towards each other will not be tolerated. Discipline shall be handled in a professional manner.

**ARTICLE 7 - IMMIGRATION RIGHTS**

To the extent consistent with applicable law, no employee covered by this Agreement who has successfully completed his or her probationary period hereunder shall suffer any loss of seniority due to any changes in the employee's social security number, provided that the employee's new social security number is valid and the employee is authorized to work in the United States at and for the Company.

Nothing in this Article shall limit the Employer's ability to comply with IRCA, Homeland Security, TSA or other government or airport directives, rules and regulations.

In the event an employee who has completed at least one year of service is terminated due to a lack of proper work authorization, the employee shall be reinstated as soon as practicable to a vacancy in his or her former classification without a loss in seniority upon the employee's providing proper work authorization within one year of the date of termination. Employees with two (2) or more years of service shall be permitted 2 years from the date of termination to provide proper work authorization under the foregoing terms.

**ARTICLE 8 - SENIORITY (INCLUDING JOB POSTING AND BIDDING, LAYOFF, RECALL AND BREAKS IN SENIORITY)**

**8.1 Preamble**

The Employer and the Union agree that the purpose of seniority is to accord consideration for senior employees in recognition of their length of service. Seniority is further intended to provide maximum work opportunities to senior employees as it

pertains to hours of work, days off, days of work, shift assignments, overtime, vacations, etc.

## **8.2 Definitions:**

Classification seniority shall mean continuous length of service with the Company, or its affiliates, in the wage classification categories listed in Appendix A of this Agreement.

Company seniority shall mean continuous length of service with the Employer or its affiliates. Company seniority is used to determine eligibility for paid time off and bidding for job vacancies after classification seniority bidding.

The procedure enumerated in paragraph 8.9 shall be used to rank employees by seniority in the event they have the same Seniority Date.

Employees will be placed on the appropriate seniority lists upon satisfactory completion of their probationary periods with both Company and Classification seniority dates.

## **8.3 Seniority Rights:**

The Company, subject to Employee qualification and the procedures outlined below, will recognize seniority for

- Job vacancies
- Schedule preference within a concept
- Preference for paid time off (vacation, holidays, etc.) within a concept
- Layoffs and recalls.

## **8.4 Temporary Openings:**

Temporary openings, i.e., to cover absences, coverage for employees on vacation, overtime coverage or other unanticipated temporary staffing requirements, will first be filled with employees from within the same classification within the same unit. Volunteers will be solicited based on classification seniority. If the temporary vacancy cannot be filled with volunteers, then qualified employees may be assigned to cover the temporary vacancy in reverse order of classification seniority.

## **8.5 Job Posting and Bidding:**

In filling job vacancies which may exist within the bargaining unit, qualified employees from within the bargaining unit shall be given preference in filling said vacancies prior to the consideration of other applicants. Seniority shall be the determining factor in filling vacancies when the Employer determines that the senior

employee is qualified and has the ability to perform the job. Such determination shall not be arbitrary or capricious.

All job openings must be posted for a period of no less than seven (7) calendar days in all units. Job postings shall list the scheduled days and hours of work for this opening. If a qualified senior employee bids from within the bargaining unit, the Employer shall award the bid to that employee within fourteen (14) calendar days of the initial job posting date.

Permanent job vacancies, including jobs in new or remodeled units, shall be awarded to the most senior employee who submits a bid based on Classification seniority, in the following order of priority:

- 1) within the concept
- 2) within the bargaining unit
- 3) laid-off employee (if any exist at the time of the bid).

Vacancies not filled from within a Classification will be awarded to the most senior qualified employee (based on Company seniority) who submits a bid, in the following order of priority:

- 1) Within the concept
- 2) Within the bargaining unit
- 3) Laid-off employee (if any exist at time of bid).

If the Employer has been unable to fill the position through the above process, then the Employer may fill the position by hiring from outside the bargaining unit.

The Employer shall notify the Union monthly of all successful bidders.

#### **8.6 Transfer from Bid Probationary Period:**

Employees transferring to a new classification, shift or concept shall be entitled to a seven (7) calendar day trial period. The employee may choose to return to his or her former position within the trial period without loss of seniority.

#### **8.7 Layoff, Recall, and Bumping:**

If it becomes necessary to lay off employees, those employees with the least classification seniority within an affected job classification shall be laid off first. Employees on layoff shall be recalled in reverse order of layoff beginning with the laid-off employee with the greatest classification seniority within the affected job classification.

In the event of a permanent unit closing or layoff, a laid-off employee, based on classification seniority, will be permitted to bump into a position with the Employer in the same classification but in a different location or in a different schedule with comparable total hours, if available, held by an employee in the same job classification with less



classification seniority. If there is no less senior person within the same job classification, the employee to be laid off shall be permitted to use his Company seniority to bump to a job classification in which the employee previously worked. Bumping shall not be permitted except in cases of permanent unit closing or layoff.

#### **8.8 Recall Notice and Rights:**

Employees on layoff shall be entitled to recall for a length of time equal to their Company seniority up to a maximum of twelve (12) months, provided they keep the Company advised of their current addresses and telephone numbers. Notice of recall will be mailed and e-mailed to the employee's last known address on file with the Employer. It is the employee's responsibility to maintain up to date address information on file with the Employer. Employees will have ten (10) calendar days from the date the notice of recall was mailed to respond and must report to work at the time, date and location, and in the position and shift, specified in the notice of recall. An employee's request to report to work at some time other than the time specified in the notice of recall will be reasonably considered, but any such request is subject to the needs of the business and the timeliness of the employee's response to the notice of recall.

#### **8.9 Same Date Seniority:**

In the event employees share the same seniority date, the senior employee shall be determined by adding the last four (4) digits of the employee's social security numbers. The employee with the higher sum shall be considered more senior. In any case in which sums are equal, the most senior employee will be the employee with the highest last digit of their social security number. If two or more such employees have equal last digits, seniority shall be determined by comparing each digit of such employees' social security number in reverse order (from last to first) until there is a difference between the digits. The employee with the highest digit at that point shall be considered more senior.

#### **8.10 Breaks in Seniority:**

Seniority shall be deemed broken and results in loss of employment for any of the following reasons:

- a. Voluntary quit;
- b. Discharge for cause;
- c. Failure to return to work in accordance with the terms of an approved leave of absence;
- d. Layoff for a period of twelve (12) months;
- e. Failure to return to work within ten (10) calendar days after receipt of notice by certified mail or recall from layoff as discussed in Article 7.8 above. Where the employer has provided more than ten (10) calendar days of notice, failure to return to work within one (1) day of the noticed return date shall constitute a break in seniority

- f. Knowingly applying for unemployment compensation benefits while on a medical;
- h. Other causes set forth in this Agreement.

## **ARTICLE 9 - DISCHARGE, DISCIPLINE, AND PROBATIONARY PERIOD**

### **9.1 Probationary Employees:**

For the first ninety (90) days of employment, employees shall be probationary and may be dismissed or disciplined without resort to the grievance procedure. Once an employee completes his/her probationary period, his/her seniority shall be retroactive to his/her most recent date of hire with the Employer.

### **9.2 Discipline:**

The Employer agrees to discipline and discharge only for just cause. The Employer recognizes the theory of corrective, progressive discipline. Progressive discipline will include a First Progressive Counseling, a Second Progressive Counseling, a Final Progressive Counseling, and then Dismissal. There shall be three (3) separate progressive disciplinary tracks, one for attendance and another for cash handling and another for conduct. Certain offenses are considered so serious as to constitute just cause whereby an employee may, at the discretion of the Employer, be discharged immediately. A non-exhaustive, but illustrative list of examples of such offenses constituting just cause includes, but is not limited to, the following:

- a. Drinking of alcoholic beverages or being under the influence of, in the possession of, or sale of alcoholic beverages or drugs on Employer time or premises. (Drugs are defined as any narcotics, depressants, stimulants, dangerous drugs or hallucinogenic drugs considered dangerous by the U.S. Dept. of Justice, Bureau of Narcotics and Dangerous Drugs. Prescription drugs are exempt.)
- b. Physically fighting on the premises of the Employer.
- c. Willful or unreasonable destruction or theft of Employer's property.
- d. Possession of firearm(s) or illegal weapon(s) on the Employer's or client premises and/or during work time.
- e. Sleeping on the job.
- f. Manipulation of payroll records with the intent of defrauding the Employer.
- g. Falsifying Employer documents.

### **9.3 Representative At Disciplinary Meeting:**

An employee shall be permitted to have a Shop Steward or Union Representative at any meeting with the Employer or its agent, which meeting is for the purpose of investigating alleged misconduct by the employee that might be the basis for, or which may result in, the discharge, suspension or other disciplinary action with

respect to the employee. If the employee indicates that he/she wishes a steward to be present, and one is not available, another bargaining unit person of the employee's choosing shall be asked to sit in as a witness. If no such bargaining unit person is chosen by the employee, the disciplinary meeting shall be temporarily postponed until a Shop Steward or Union Representative is available. In the meantime, depending upon the seriousness of the offense, the Employer may suspend the employee pending investigation.

#### **9.4 Warning Disciplinary Notices:**

(a) Written disciplinary notices (as outlined in Section 9.2 above) issued to employees must specify the events or actions for which the notice is issued. Written disciplinary notices (written warnings and terminations) shall be issued to employees within seven (7) calendar days of the event or action for which the written disciplinary notice is being issued.

(b) Disciplinary notices shall not be used as a basis for progressive discipline after a period of twelve (12) months and shall be removed from an employee's file.

#### **9.5 Investigatory Suspensions:**

Where appropriate, terminations may be preceded by a non-disciplinary suspension, not to exceed seven (7) calendar days in length unless the parties agree to a longer period, pending investigation of the allegations which may lead to discharge.

#### **9.6 Shoppers Report:**

The Union recognizes that the Employer and the Airport employ shopping investigators or "shoppers" in their operations. The Union and the Employer agree that with respect to shoppers:

A. Employees shall be informed during their training of the Airport and Employer's use of shoppers.

B. The Employer's shoppers shall provide factual reports of their observations of customer service situations and cash handling transactions. The Employer's Shoppers shall not use methods which would intimidate or confuse employees. The Employer shall not employ shopping services which receive an additional fee for generating negative reports or pay their employees a fee or bonus for negative reports.

C. Employees and the Union will, on request, be shown copies of any shopper reports which are retained in the employee's personnel file.

D. The Employer will inform the employee as soon as practicable of a shopper's report that may result in disciplinary action.

## **ARTICLE 10 - GRIEVANCE PROCEDURE AND ARBITRATION**

### **10.1 Grievances:**

The term "grievance" as used herein means any alleged violation, misinterpretation or misapplication of this Agreement and may be raised by an individual employee or group of employees covered by this Agreement, or by the Union on behalf of an individual employee or group of employees covered by this Agreement or by the Employer.

### **10.2 Time Limits:**

The parties agree that grievances must be processed and resolved as expeditiously as possible. The number of days indicated at each step of the grievance procedure shall be considered maximum and every effort should be made to expedite the process. To that end, failure to meet the time limits by the grieving party at any step of the grievance procedure as outlined in this Article shall be deemed to be an abandonment and waiver of the grievance. Failure to meet the time limits by the party against whom the grievance is filed at any step shall be deemed to be a denial of the grievance by that party and the moving party may move on to the next step. Time limits may be waived by mutual agreement of the Employer and the Union.

### **10.3 Process and Steps:**

The following constitutes the exclusive method for resolving grievances between the parties under this Agreement, unless any step is waived or modified in writing by mutual consent of the Employer and the Union. Grievances involving suspensions or terminations will proceed in accordance with Step Two. Although the parties will endeavor to meet any deadlines contained in this article, the parties agree that any such deadlines may be extended by mutual agreement.

#### **Step One (Employee and Manager):**

The employee shall, within five (5) calendar days of the incident or circumstance giving rise to the dispute, take the matter up with his/her immediate manager. The employee has the full right and involvement of the Shop Steward in this step. Settlements reached at this level shall be considered non-precedential, unless the Employer and the Union Representative agree that the settlement shall be reduced to writing and may be used as a precedent in the future.

The Manager involved in the Step 1 meeting shall respond within five (5) calendar days of the Step 1 meeting.

#### **Step Two:**

If the grievance is not resolved after Step 1, then within five (5) calendar days of the Employer's Step 1 response, or date the Step 1 response was due, the grievance shall

be reduced to writing and provided by the shop steward or union representative to the General Manager. The written grievance should list the specific provision(s) of this Agreement alleged to have been violated and the remedy sought. Within five (5) calendar days of the grievance being filed in writing, a meeting shall occur between the General Manager, the union representative, Steward and the grievant in an effort to resolve the grievance. The General Manager shall provide a written response within five (5) calendar days of the meeting.

**Step Three:**

If the grievance is not resolved after Step 2, then within five (5) calendar days of the Employer's Step 2 response, or date the Step 2 response was due, the grievance shall be submitted to the Employer's national Human Resource Director. Within five (5) calendar days of the grievance being submitted, a meeting shall occur between the Human Resource Director, the union representative, steward and the grievant in an effort to resolve the grievance. Such meeting may occur by telephone or videoconference. The Human Resource Director shall provide a written response within five (5) calendar days of the meeting.

**Step Four (Arbitration):**

In the event that the grievance cannot be settled in Step Three, the matter shall be referred to an arbitration within thirty (30) calendar days from receipt of the Human Resource Director's written decision. Due notice of submission to arbitration shall consist of written notice to the Employer if the issue is raised by the Union, or if the issue is raised by the Employer, written notice to the Union.

The arbitrator shall be selected by the Union and the Employer. If the parties are unable to agree on an arbitrator, either party may request a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service (FMCS). The parties shall alternately strike names from the list until one (1) name remains (grieving party shall strike first). The remaining person shall be arbitrator. The arbitrator selected shall hold a hearing promptly and shall issue a written decision not later than thirty (30) calendar days from the date of the close of the hearings or, if oral hearings have been waived, then from the date on which the written final statements and proofs on issues were submitted. The decision of the arbitrator shall be final and binding upon the parties.

This Arbitrator shall have no authority to amend, alter, add to or subtract from this Agreement. All expenses of the Arbitrator shall be jointly and equally shared by the parties. The decision of the Arbitrator shall become a part of this Agreement, and each of the parties hereto agrees to abide by the said decision of the Arbitrator.



#### **10.4 Sole and Exclusive Remedy:**

The parties agree that the grievance procedure set forth in this Article shall be the sole and exclusive method of settling all claims, grievances or controversies arising out of the terms of this Agreement.

#### **10.5 Arbitration Awards:**

All claims for wages lost because of unjust suspension or discharge shall be limited in the amount if any, agreed to by the Employer and Union or ordered by the arbitrator if taken to arbitration, but, in any event, less any unemployment compensation unless repayment of unemployment compensation is required by law (after final determination by the State).

### **ARTICLE 11 - WORK TIME (INCLUDING HOURS OF WORK, OVERTIME, MEALS AND BREAKS)**

#### **11.1 Work Schedules:**

Five (5) days shall constitute a normal week's work, and eight (8) hours within eight and one half (8 1/2) hours shall constitute a normal day's work. However, the Employer may establish schedules of ten (10) hours worked within ten and one-half (10 1/2) hours. The ten (10) hour shifts shall be scheduled as a four (4) day work week, and only by agreement between the Employee and Employer. All shifts will include a thirty minute unpaid meal period.

Work schedules shall be posted in every unit and shall not normally vary from week to week. Workers shall be provided at least seven (7) calendar days' notice prior to the start of the scheduled work week regarding any temporary changes in hours of work or scheduled days off (e.g., changes due to vacation coverage or other limited-duration operational needs), except in cases of emergency. Such temporary changes shall be made in accordance with classification seniority.

All foreseeable requests for vacation shall be submitted at least fourteen (14) calendar days in advance.

#### **11.2 Clocking Out:**

If the Employer determines that there is insufficient work, then the Employer may require employees to clock out in the following order: (1) volunteers; (2) employees in inverse order of seniority by classification in that unit

#### **11.3 Overtime:**

- (a) All work performed in excess of eight (8) or in excess of ten hours (10) in a day, shall be compensated at one and one half times the employee's rate

of pay. For employees working four (4) ten (10) hour shifts, all work performed on the fifth day during any five day period shall be paid at one and one-half times the regular rate of pay. All work performed on the sixth (6<sup>th</sup>) consecutive day of any seven day period shall be paid at one and one half time the regular rate of pay. All work performed on the seventh day of any seven day period shall be paid at two times the regular rate of pay, with a minimum of four hour pay at the double time rate.

(b) Assignment of overtime: Employees shall be expected to work overtime when requested. When there are more employees in the classifications than are needed for the overtime work, the Employer will offer work in the classification by seniority. If there are insufficient volunteers, the Employer may require employees in the classification to work in inverse seniority order.

(c) Notification: Unforeseen flight schedules or arrivals may affect the Employer's ability to provide advance notice of overtime. Employees working overtime shall be permitted to make necessary notification to their homes and families. It is understood that there are occasions that the employee will not be able to work overtime without advance notice due to child care, school schedule or other previously schedule responsibilities.

(d) Authorization: No employee shall work overtime unless such overtime work has been authorized in advance by his/her supervisor. Overtime shall be verified in writing by the supervisor on the employee's time record.

(e) No Pyramiding: There shall be no pyramiding of overtime or premium pay under the terms of this Agreement and under no circumstances will more than one (1) basis of calculating overtime or premium pay be used for the same hours.

#### **11.4 Meals and Breaks:**

Employees shall receive a 15-minute paid break period for every 4 hours worked. Employees working 5 or more hours shall be assigned by the Employer a 30-minute unpaid lunch break at a time consistent with applicable law.

Employer shall discount to its Employees 50% off the sales price of meals and drinks purchased by Employee at any of the Employer's food and beverage outlets located in the Airport. Effective July 1, 2015, all employees shall receive a meal allowance with a maximum value of \$12.00 per day.

#### **11.5 Time Between Scheduled Shifts:**

No employee shall be scheduled by the Employer for a shift without being afforded a period of eight (8) hours or more rest after the completion of the previous regularly-scheduled shift, unless such employee has voluntarily bid for such a schedule.

**11.6 Definition of Work Week:**

The work week shall begin on Saturday at 12:00 a.m. and end on Friday at 11:59 p.m.

**ARTICLE 12 - COMPENSATION**

**12.1 Wage Rates:**

Employees shall receive the minimum wage rates set forth in Appendix A.

All employees shall receive the following wage increases during the term of this Agreement:

**11-1-2012: \$0.50**

**1-1-2014: \$0.50**

Effective January 1, 2015, all employees making the contract minimum wage rates shall receive a \$0.75 per hour wage increase, and all employees making more than the contract minimum wage shall receive a \$0.30 wage increase, provided that no employee shall make less than the minimum wage rate as a result of such raises.

Effective July 1, 2016, all employees making the contract minimum wage rates shall receive a \$0.80 per hour wage increase, and all employees making more than the contract minimum wage shall receive a \$0.60 wage increase, provided that no employee shall make less than the minimum wage rate as a result of such raises.

**12.2 New Classification:**

The Employer may establish new classifications with different duties than are covered by existing classifications. The Employer must bargain with the Union to establish a reasonable wage rate for same. If the Employer and the Union are unable to agree on a reasonable wage rate within ten (10) days of the Employer's establishment of the new classification, then the Employer may designate a reasonable wage rate in its sole discretion. The Union may grieve this issue thereafter if it so chooses providing it does so within ten (10) calendar days of the Employer providing the Union with written notification of same, or else such grievance is waived for all purposes.

**12.3 Cross-Classification Work:**

Any employee relieving another employee of a higher pay rate for over three (3) hours shall receive the higher pay rate for all hours scheduled and worked that day; however, the wages to be paid to the various classifications of employees shall be no less than the schedules attached hereto. This shall not apply to relief for meals or break periods.



When an employee regularly occupies a position combining two (2) or more classifications in any day, he or she shall be paid for that day at the rate of pay for the higher classification. This shall not apply to relief for meal periods.

#### **12.4 Gratuities:**

Non bargaining unit personnel shall not be permitted to accept gratuities intended for bargaining unit members.

#### **12.5 Pay Days and Direct Deposit:**

Employees will be paid twice monthly on the 5<sup>th</sup> and 20<sup>th</sup> day of each month. Upon request, the Employer shall conduct a tutorial meeting about payroll issues for interested employees.

Along with every paycheck, employees will be provided with a printed report showing the balance of all earned benefits (e.g., vacation, sick time, holidays).

The Employer will not deduct greater than \$25 from any one paycheck for arrearages due to missed payroll deductions.

#### **12.6 Paycheck Discrepancies:**

The Employer shall make every effort to resolve any pay discrepancy issues within two (2) business days of the employee reporting such discrepancy.

It is the responsibility of every employee to clock in and out for each shift including breaks. Employees who fail to clock in and out will not be issued a manual check for time missed in the given payroll period. In these cases, once the discrepancy has been reported to the Human Resources department, the pay adjustment shall be made in the following payroll period.

#### **12.7 Reporting Pay:**

Employees who report to work as scheduled but are not permitted to work or without having been notified that the airport is closed, shall be guaranteed one-half their scheduled hours to a maximum of two (2) hours work or pay in lieu thereof, unless (a) such employee arrives for work in a manner unacceptable to the Employer, (b) if the employee is notified before the start of a shift, or (c) if there is no work due to an Act of God or circumstances over which the Employer has no control. The employee is required to maintain an active phone number on file where notice "not to report" will be given.

#### **12.8 Meeting Pay:**

If an employee is required to attend a meeting called by the Employer, such employee shall be paid at his/her regular straight time rate for such attendance. If the meeting takes place during an employee's regularly scheduled day off or non-work time, such employee will be paid a minimum of two (2) hours or the actual time spent in the meeting, whichever is greater.

#### **12.9 Maintenance of Wages:**

No employee shall have his/her wages, benefits or other working conditions enjoyed by the employee reduced as a result of the ratification of this Agreement.

### **ARTICLE 13 - PAID TIME OFF: Vacations, Holidays, Sick Time**

#### **13.1 Vacations:**

Vacations shall be credited on Employees' anniversary of service according to the following schedule:

1 yr = 5 days  
2 – 5 yrs = 10 days  
6 – 10 yrs = 15 days  
10 yrs+ = 20 days

Employees shall be permitted to accumulate and use up to one (1) additional week of vacation time beyond the annual allotment for his years of service. For example, an employee with 3 years' seniority may use up to fifteen (15) days vacation in any given year if he carried over one (1) week's vacation from the prior year.

Tipped employees shall receive one and one half times their regular rate of pay as vacation pay.

Employees who voluntarily terminate employment or are laid off shall receive pay for any unused vacation time.

Vacation may be used in increments of (one) 1 day or more.

#### **13.2 Holidays:**

New Year's Day	Memorial Day
July 4 <sup>th</sup>	Labor Day
Thanksgiving	Christmas Day
Martin Luther King Day	

Employees who do not work on a holiday shall receive straight-time pay at their normally-scheduled number of hours.

Employees who work on a holiday shall receive one and one-half (1 and ½) their normal hourly straight-time pay (plus overtime pay, if applicable) for all hours actually worked on the holiday. Work on Christmas will be pay at two times the rate of pay of the employee.

Holidays occurring during an Employee's vacation shall be paid as Holiday Pay in lieu of vacation pay.

### **13.3 Sick time:**

All employees shall receive five (5) sick paid days per year, credited on January 1 of each year of the Agreement. Sick time may be used in half (½) day or more increments. A doctor's note may be required if an employee is absent for more than three (3) scheduled work days, or in instances where the employer has legitimate reason to suspect abuse.

On December 1<sup>st</sup> of each year of the contract, all employees will be able to cash out accrued sick time.

Employees will receive payment of accrued sick time upon termination

## **ARTICLE 14 - LEAVE OF ABSENCES**

### **14.1. Family and Medical Leave:**

#### **A. Family Medical Leave:**

The Employer will grant a leave of absence in accordance with the Federal Family and Medical Leave Act (FMLA) and/or applicable State family leave laws. An employee will be granted up to 9 months of extra unpaid maternity/paternity leave for bonding.

#### **B. Additional Medical Leave:**

With appropriate medical documentation, employees who have completed six (6) months of service and who have exhausted their FMLA leave or are not eligible for FMLA leave, will be granted additional unpaid medical leave for personal serious illness or injury, provided that such leave is deemed a necessary reasonable accommodation required under either federal or local law. Employees with more than six (6) months of service but less than one (1) year may be granted leaves up to eight (8) weeks of unpaid medical leave.

#### **14.2 Funeral Leave:**

An employee who has completed probation shall be granted paid leave of absence to attend a funeral because of death in an employee's immediate family, which for the purpose of this provision shall be defined as spouse, child or step child, grandchild, parent, grandparent, current father-in-law or mother-in-law, brother, sister, or domestic partner. Funeral leave shall be limited to five (5) consecutive paid days, except where travel distances exceed 250 miles from the place of employment, in which case the employee shall be granted up to two (2) additional days off without pay to attend the funeral. The Employer may request proper verification. Funeral leave applies only in instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased. Funeral leave is not compensable when the employee is on leave of absence, PTO, bona fide layoff or for days falling outside the employee's regular workweek.

#### **14.3 Jury Duty:**

When an employee covered by this Agreement is summoned for jury duty, the Employer shall grant such employee time off for jury duty and will pay the employee the difference between his/her jury duty pay and the regular straight time hourly rate for the regularly scheduled hours of work for up to five (5) work days in any calendar year, unless applicable state law requires better.

#### **14.4 Personal Leave:**

Employees with one (1) year of service desiring an unpaid leave of absence for personal or family circumstances, or as provided in Section 14.6 below, must first secure written agreement from the Employer. Such leave may be granted at the sole discretion of the Employer and shall not exceed six (6) months.

#### **14.5 Union Leave:**

Leaves of absence without pay or benefits shall be granted to employees for the purpose of accepting employment with the Union, provided that (a) the leave may not exceed six (6) months; (b) only one employee may take such leave at any time or during any six (6) month period, whichever is longer; and, (c) while his/her seniority with the Employer will continue to accrue while on this leave.

The Company will further provide unpaid leave to employees to attend such conventions, meetings, and union functions with two weeks' notice from the Union.

#### **14.6 Military Leave:**

Military leave shall be treated in accordance with the provisions of applicable Federal and State Law.

#### **14.7 Expected Return Date:**

An employee on leave of absence shall be expected to return to work on or before the "Expected Return Date" set forth in his initial application or any subsequently granted extension. If the employee has been on a Medical, Disability or Workers' Compensation leave, such employee may be required to produce proof, before he or she returns to work, that he or she is physically able to return to duty. Upon returning to work, the employee shall be restored to his former position and shift (or equivalent shift) in that weeks' schedule. The employee shall notify the Employer forty-eight (48) hours before returning to work. Failure to return to work at the designated date, time and location at the end of any authorized leave of absence shall result in loss of seniority rights and shall be deemed a voluntary termination.

The Employer may require employees on medical leave of absence, or returning from medical leave of absence, to be examined by a physician chosen by the Employer, where permitted by applicable law. In such case, the Employer will pay the cost of said examination. Such examinations shall be limited to an evaluation of the employee for the conditions related to the circumstances requiring the leave.

### **ARTICLE 15 – BENEFIT & TRUST FUND PROVISIONS**

#### **A. Health and Welfare**

All Employees shall be eligible to have contributions made to the South Bay HERE Health & Welfare Trust Fund, as provided within the Agreement, after completion of three (3) months of continuous service to the Employer.

1. Effective January 1, 2013 the Employer will start contributions on behalf of all employees working 30 hours per week to the South Bay HERE Health & Welfare Trust Fund at a rate of \$540 per month per employee. Effective July 1, 2014 said monthly contributions will be increased by 12% for a total of \$604.80 per month for each employee working an average of 30 hour per week.
2. Effective January 1, 2015 the Employer will start contributions on behalf of all employees for all hours worked and paid for including sick and vacations hours. Employer contribution rates to the Fund during the life of this agreement will be as follows.

\$5.00 per straight time hour effective 01/01/2015  
\$6.35 per straight time hour effective 01/01/2016

Starting on January 1, 2015 contributions to the Fund are to be paid for each hour or fraction thereof worked by any Employee, and for each hour not worked but paid as Vacation or Sick Leave.

The contributions called for above shall be paid by the Employer to the Trustees of the Fund on or before the fifteenth (15<sup>th</sup>) day of each and every month. The Trust Fund shall be used to determine the health and welfare benefit plan.

The Trust Fund shall be administered by a Board of Trustees selected by the Union and by the participating Employers, each to have an equal number of Trustees. The selection of the Trustees, their powers and duties and the detailed basis on which contributions are to be made shall be as set forth in the Fund Agreement. The Parties agree to be bound by all the terms and conditions of the aforementioned Fund Trust Agreement and to any amendments thereto.

Nothing in this Agreement or in the Fund Agreement shall require the Board of Trustees to provide or maintain any particular set of benefits, nor require the Employer to contribute to the Fund more than the amounts set forth in this Section.

Nothing in this Agreement shall prevent the Trustees from using accumulated reserves to purchase additional benefits.

The Employer agrees that the Employer Trustees selected in the manner herein provided, pursuant to said Fund Trust Agreement, shall be and are hereby authorized and empowered to act as the trustees of the Employer, as its agents in carrying out their duties and responsibilities as set forth in said Fund Trust Agreement.

Said Fund Plan or Trust may not incur for the Employer a cost not specifically negotiated herein, except as may be allowed by the Fund Trust Agreement. Said Fund Plan or Trust must at all times act within the law and maintain the tax-exempt status of all Employer contributions. The Fund Trustees shall have no authority to exceed the contribution rates specified in this Agreement. The Fund Trustees shall have no authority to change the provisions herein, except as allowed by the Fund Trust Agreement. Any audits by the Fund Plan or Trust must be conducted within three (3) years, and all contributions more than three (3) years old shall thereafter be stipulated to have been correct.

**B. The Following Is Applicable To Health & Welfare Trust Funds:**

1. The Employer agrees that if it sells, leases, subleases, franchises or transfers its business, any portion of its business or any department in its business wherein there are employed persons coming under the jurisdiction of the Union, it shall secure a written agreement from any person to whom said business is sold, leased, subleased, franchised or transferred, in which said person agrees to pay all contributions to the Trust Funds called for in this Agreement.

A copy of said written assumption agreement to pay said contributions shall be furnished to the Board of Trustees of said Funds and to the Union. Said copies shall show the date signed, the date of assumption, the names and addresses of the person or persons to whom said business is sold, leased, subleased, franchised or transferred and shall be signed by said person or persons. An Employer failing to comply with the



provisions of this subsection shall be responsible for and liable to pay any contributions due under the terms of this Agreement and the Trust Agreements herein referred to.

2. The Employer agrees to make its books and records available to auditors selected by the Trustees of said Funds at such time as said Trustees deem an audit necessary. If such audit reveals a 10% or more deficiency in payment of money due to the Fund or Funds by the Employer, the audit cost shall be paid by the Employer, otherwise by the Fund. Any deficiency found shall be paid immediately by the Employer to the Fund or Funds.

#### **ARTICLE 17 – UNIFORMS:**

Employer shall furnish uniforms to its employees as follows: Three (3) uniform shirts, one (1) uniform hat or visor, one (1) name tag, and one (1) apron if required for uniform. Each uniform or part thereof, must be returned upon termination. In the event such uniforms are not returned, the cost of any item of the uniform will be deducted from the employee's final paycheck. The Employer agrees to replace uniforms at its sole expense for normal wear and tear.

#### **ARTICLE 18 - SUCCESSIONSHIP**

##### **18.1 Change of Ownership:**

In the event that the Employer sells or assigns its business, or in the event that there is a change in the form of ownership, the Employer shall notify the Union as soon as practical in writing and shall make all payments which are then due or which shall be due as of the date of transfer of the business for wages, vacation and/or health and welfare for Employees.

##### **18.2 Binding on Successors:**

This Agreement shall be binding upon the successors and assigns of the parties hereto. No provisions, terms or obligations herein contained shall be affected, altered or changed in any respect whatsoever by the consolidation, merger, transfer or assignment of the Employer's interest, or any part thereof, in any establishment covered by this Agreement.

#### **ARTICLE 19 - NO STRIKE/NO LOCKOUT:**

This Agreement establishes a collective bargaining relationship and equitable procedures for the peaceful resolution of any disputes that may arise. Accordingly, it is agreed that during the term of this Agreement neither the Employer nor the Union (or its affiliates) nor the employees covered under this Agreement, will engage in, sanction, or authorize any job action of any kind, whether it takes the form of strikes, lockouts, slowdowns, picketing, boycotts, sympathy strikes, or any other interference with the operation of the Employer, whether such action is attributable to a dispute over existing contract rights, a dispute involving another unit of the Employer, another employer or Union, or any other reason.

Refusal of an employee to cross a picket line sanctioned by the South Bay Labor Council shall not be construed to be a breach of this Agreement.

#### **ARTICLE 20 - HEALTH AND SAFETY**

The Employer shall provide a healthy and safe working environment.

#### **ARTICLE 22 - SEVERABILITY AND SAVINGS**

If any provision of this Agreement or any application of this Agreement to any employee or group of employees is held invalid by operation of law or by a Court or other tribunal of competent jurisdiction, such provision shall be inoperative but all other provisions shall not be affected thereby and shall continue in full force and effect.

The parties agree to meet promptly to discuss the impact of the affected contract provision and to create a new provision as may be needed. Such discussions shall not "open" the Agreement during its term.

#### **ARTICLE 23 - TERM OF THE AGREEMENT:**

This Agreement shall become effective on October 9, 2012 (the "Effective Date") and shall remain in full force and effect through and including December 31, 2016. This Agreement shall continue from year to year thereafter unless either party gives written notice with proof of receipt to the other party, to be received no more than ninety (90) days nor less than sixty (60) days prior to initial expiration or any yearly anniversary date thereafter, of intention to reopen or modify this Agreement. This Agreement may only be amended, supplemented, rescinded, or otherwise altered by mutual agreement in writing between the Employer and the Union.

This Agreement supersedes all prior agreements and understandings, oral or written, expressed or implied, among the Employer, Union and employees covered by this Agreement and shall be the sole source of any and all rights claims which may be asserted pursuant to the grievance procedure set forth in this Agreement.



IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf on the dates noted below

FOR THE EMPLOYER

A handwritten signature in black ink, appearing to be "Michael H.", written over a horizontal line.

Dated: 10-9-2012

FOR THE UNION

A handwritten signature in black ink, appearing to be "Bob Lewis", written over a horizontal line.

Dated: 10-9-12

**Appendix "A" - Wages****Minimum Wage Rates**

	<u>10-9-12</u>	<u>11-1-12</u>	<u>1-1-14</u>	<u>1-1-15</u>	<u>7-1-16</u>
<b>Food &amp; Beverage</b>					
<b>Bartender</b>	\$ 10.80	\$ 11.30	\$11.80	\$12.55	\$13.35
<b>Server</b>	\$ 9.60	\$ 10.10	\$10.60	\$11.35	\$12.15
<b>Prep Cook</b>	\$ 12.80	\$ 13.30	\$13.80	\$14.55	\$15.35
<b>Cook</b>	\$ 12.80	\$ 13.30	\$13.80	\$14.55	\$15.35
<b>Barista</b>	\$ 12.00	\$ 12.50	\$13.00	\$13.75	\$14.55
<b>Snack Bar</b>	\$ 11.05	\$ 11.55	\$12.05	\$12.80	\$13.60
<b>Attendant/Cashier</b>					
<b>Utility</b>	\$ 10.80	\$ 11.30	\$11.80	\$12.55	\$13.35
<b>Warehouse</b>	\$ 11.80	\$ 12.30	\$12.80	\$13.55	\$14.35
<b>Attendant</b>					
<b>Host/Hostess</b>	\$ 12.00	\$ 12.50	\$ 13.00	\$13.75	\$14.55
<b>Baker</b>	\$ 13.50	\$14.00	\$14.50	\$ 15.25	\$16.05

**Lead**                      Add \$1.00 to  
classification rate

The above rates shall be adjusted through the life of the Agreement to adjust for any changes required by changes in the Federal and State minimum wage laws. Any such adjustments to these rates shall be credited against the increases to the Minimum Wage Rates and/or the next across the board increases. All adjustments shall be processed as soon as administratively feasible following the applicable adjustment dates.

# **EXHIBIT B**

**Collective Bargaining Agreement**

**between**

**PACIFIC GATEWAY CONCESSIONS  
(San Jose International Airport)**

**And**

**UNITE HERE! Local 19**

**January 1, 2017 through June 30, 2020**

This Agreement is made by and between Pacific Gateway Concessions, LLC, doing business at Mineta San José International Airport (hereinafter referred to as the "Employer"), and UNITE HERE Local 19 (hereinafter referred to as the "Union") covering certain employees of the Employer at Mineta San José International Airport.

WHEREAS, it is the desire and intention of the parties to provide orderly collective bargaining relations between the Employer and the Union, to secure prompt and equitable disposition of grievances, to promote the economic welfare of the Employer and its employees, and promote good relations between the Employer and employees for their mutual benefit.

WHEREAS, both parties mutually pledge that they will cooperate with each other in good faith in the enforcement of the terms of this Agreement so as to secure uninterrupted operations of the business of the Employer in rendering service to the general public and continuous employment of the employees and general stabilization;

THEREFORE, the parties hereto mutually agree as follows:

#### ARTICLE 1 - RECOGNITION

1.1. The Employer recognizes the Union as the exclusive bargaining representative for collective bargaining purposes concerning the negotiable terms and conditions of employment of all employees covered in classifications listed in Exhibit A (referred to hereinafter as "Employees") in all food/beverage and news/gifts/retail operations ("Operations") at Mineta San José International Airport ("Airport") which during the term of this Agreement are operated by or substantially under the control of the Employer. The term "Employer" shall be deemed to include any person, firm, partnership, corporation, joint venture or other legal entity substantially under the control of the Employer covered by this Agreement, or one or more principal(s) of the Employer covered by this Agreement, or a subsidiary of the Employer covered by this Agreement, or any person, firm, partnership, corporation, joint venture or other legal entity which substantially controls the Employer covered by this Agreement: and where the Employer or its parent, principal or subsidiary has at least 49% financial interest in the entity and no other, unaffiliated entity has an interest greater than Employer's.

1.2 Supervisors, as defined by the National Labor Relations Act, will not perform bargaining unit work except for purposes of training, to relieve employees on break or in the event of a legitimate business emergency, which includes unanticipated peaks in business volume. Any questions arising out of the application or interpretation of this article shall be subject to the arbitration provisions of this agreement.

1.3 The Employer shall not enter into any agreement with any individual employee covered by this Agreement the terms of which conflict with any of the terms of this Agreement.

1.4 Whenever in this Agreement the masculine gender is used, it shall be deemed to include the feminine gender.

## ARTICLE 2 - UNION MEMBERSHIP AND EMPLOYMENT

### 2.1 Membership:

- a. Only members in good standing in the Union shall be retained in employment. For the purpose of this Article, "members in good standing" shall be defined to mean Employee members in the Union who tender the periodic dues, reinstatement fees and initiation fees uniformly required as a condition of acquiring or attaining membership in such Union. Non-members of the Union hired by the Employer must complete membership affiliation immediately following the thirtieth (30th) day of employment and the Union agrees to accept said non-members into membership on the same terms and conditions generally applicable to other employees.
- b. Upon written notice from the Union of failure on the part of any individual or Employee to complete membership in the Union as above required, or of failure to continue payment of dues to the Union, the Employer shall, within seven (7) days of such notice, discharge said Employee.
- c. The Employer agrees to provide, assist in the completion of, and remit any forms necessary to perfect membership in the Union.

### 2.2 Hire From Any Source:

- a. The Employer shall notify the Union of job openings within the bargaining unit covered by this Agreement. The Union may refer applicants for such openings. In interviewing and hiring for such job openings, the Employer shall not discriminate against any applicant referred by the Union. The Employer shall notify the Union office of the name, address, classification and date of hire/termination of each Employee covered by this Agreement and immediately upon hiring/termination of such Employee. New employees may be hired from any source, however, any person employed in a job classification covered by this Agreement shall be advised at the time of hire that the Company is operating under a Union Contract.
- b. The Union agrees to accept such persons for membership upon terms and qualifications not more burdensome than those applicable at such time to other applicants of the Union.

### 2.3 Orientation:

Within five (5) calendar days following a new employee(s) being hired by the Company, the Union will be provided with the name, classification, address and hire date of said new bargaining unit employee(s). A Union representative or Shop Steward shall be afforded the right to meet with all new hires for a maximum of thirty (30) minutes within ten (10) calendar days of



the new employee's first work shift. The Company will arrange a private location for this meeting.

#### 2.4 Initiation Fees and Dues:

- a. The Employer agrees to deduct Union initiation fees and monthly dues from employees' earnings as provided herein. Deduction shall be authorized in writing by the employees on Dues Deduction Authorization and Assignment forms supplied by the Union. The Employer shall furnish the Union on a monthly basis a list of those employees for whom deductions have been made, including the amount of those deductions and the employees' Social Security Numbers. The information shall be in electronic form. Said deductions shall be made each month, and shall be remitted to the Union not later than the fifteenth (15<sup>th</sup>) day of the following month. At the request of the Union, the Employer will send the monies deducted each month directly to the Union's bank account.

#### 2.5 Quarterly Reports:

(a) The Company agrees to provide the Union with a quarterly seniority list. The list shall include each employee's full name, address, phone number, rate of pay, Company date of hire, and Classification(s) date of hire. The information shall be provided in Excel or similar format.

(b) The Parties agree that maintaining and protecting employees' privacy is of paramount importance. The Parties recognize that employees have strong privacy interests in their personal information including social security numbers, home addresses and phone numbers. The Parties agree that each will take appropriate steps to protect and maintain employees' privacy with respect to this information.

#### 2.6 Voluntary Political Deductions:

The Employer agrees to honor voluntary political deductions authorizations from its employees in the following form:

The Company shall deduct and transmit to the Treasurer of UNITE HERE TIP Campaign Committee the amount of contribution specified for each payroll period or other designated period worked from the wages of those employees who voluntarily authorize such contribution at least 7 days prior to the next scheduled pay period, on the form provided for that purpose by the UNITE HERE TIP Campaign Committee. These transmittals shall occur no later than the fifteenth (15<sup>th</sup>) day of the following month, and shall be accompanied by a list setting forth as to each contributing employee his or her name, address, occupation, rate of PAC payroll deduction by the payroll or other designated period, and contribution amount. The parties acknowledge that the Company's costs of administration of this PAC payroll deduction have been taken into account by the parties in their negotiation of this Agreement and have been incorporated in the wage, salary and benefits provision of this Agreement. The company shall send these

transmittals and this list to: UNITE HERE TIP Campaign Committee, 275 Seventh Avenue, 11th floor, New York, NY 10001, Attention Treasurer.

#### 2.7 Union Stewards:

The Union shall have the right to designate up to six (6) shop stewards who shall represent the Union for the purpose of presenting and adjusting grievances. The Union shall advise the Employer in writing as soon as practicable of the names of the employees who it appoints to act as Union Stewards. The Employer shall not be required to recognize any employee as a Union Steward until and unless it has received the aforementioned written notification. Union stewards shall be considered representatives of the Union, and they may carry out their duties in any terminal. Union stewards agree to conduct their Union duties in a manner that does not interfere with the Employer's operations or with employees' duties during scheduled working hours, except where management agrees otherwise. Once per quarter, at the request of the Union, said shop stewards will be permitted to attend educational trainings by the Union. The trainings will be no more than one day per quarter. The Employer will pay the Shop Stewards for the time lost for attending said trainings.

#### 2.8 Union Representative:

The Employer shall permit authorized representatives of the Union access to visit the employees' work sites at reasonable times for the purpose of Union business. Upon entering the facility, the Union representative shall notify the manager on duty of his/her presence in the facility, provided there is a manager on duty readily available. The Union agrees that during such visits its representatives will not engage in activities that are disruptive to the Employer's operations, such as pulling employees away from their work area or engaging in conversations while they are serving customers.

#### 2.9 Security Approval:

The Employer agrees to complete application forms for security badges and direct the Union to the appropriate security facility to facilitate the Union's access to bargaining unit members. Any security badges provided to the Union shall be provided in the Union's name, rather than the Employer's. In the event that the Union is unable to obtain a badge, the Employer will take all permissible and necessary steps to assist the union in obtaining a badge and the Union agrees to accept full responsibility and hold the Employer harmless for the conduct of any individuals wearing such a badge. The parties agree and recognize that the ultimate issuance of security badges is within the sole and exclusive control of the Airport authorities. The Union accepts responsibility for the return of the security badges to the Airport and shall bear the costs of such security badges.

#### 2.10 Union Buttons:



While on the job employees may wear Union buttons and Union Lanyards, so long as the wearing of such buttons and lanyards does not obscure or interfere with the employees' uniform. The buttons may not exceed one and one-half (1-1/2) inch in diameter and shall not contain offensive language.

#### **2.11 Bulletin Board:**

The Employer agrees to provide a bulletin board or posting area in each unit or worksite. Postings shall not contain defamatory text toward the Employer, its representatives or the Employer's client.

#### **2.12 Indemnification:**

The Union agrees to defend, indemnify and hold the Employer harmless from any liability or expense incurred by the Employer arising from the Employer's action pursuant to this Article.

### **Article 3 – MANAGEMENT RIGHTS**

Except as expressly and specifically limited or restricted by a specific provision of this Agreement, The Company has and shall retain the full rights of management and direction of the Company's operations. Such rights of management include, but are not limited to, the following: the sole right to manage its business and direct the workforce, including the rights to: establish new jobs and operations; change materials, processes, products, equipment, uniforms and operations; decide the number and location of facilities, the machinery and equipment, the products to be produced or sold, the schedule of work and the processes of work or assembling; to establish and publish rules of conduct, uniform standards, appearance standards, safety and performance standards; to schedule and assign work and the number of hours to be worked and to hire, rehire, promote, recall, discipline and discharge for cause, transfer or lay-off Employees for lack of work.

### **ARTICLE 4 - LABOR MANAGEMENT COMMITTEE**

A labor/management committee shall be established to discuss matters of mutual concern to the Employer and the Union for the purpose of promoting better understanding between the parties. The committee shall consist of not more than Six (6) representatives from each party to be designated in writing by each party to the other. On a case by case basis, the parties may agree to add more representatives. Meetings shall be held at mutually agreeable times and locations so as to apprise the other of problems, concerns, suggestions, etc. related to the operation and the workforce. A written agenda shall be established for each meeting. Meetings shall be held quarterly. The results of such meetings shall neither alter the provisions of this agreement nor be construed as continued negotiations over the terms and conditions set out in this agreement, nor shall such meetings be considered as a step in the grievance procedure.

**ARTICLE 5 - NON-DISCRIMINATION** Neither the Employer nor the Union shall discriminate against any employee or applicant because of such employee's or applicant's race, color, religion, sex, age, national origin, creed, sexual orientation, marital status, physical handicap, veteran status or other protected status under applicable City, State or Federal non-discrimination laws. No employee shall be discriminated against because of their membership in the Union or because of any lawful activities by such employees on behalf of the Union.

**ARTICLE 6 - RESPECT AND DIGNITY**

The Employer and Union agree that each employee and supervisory representative of the Employer shall be treated with dignity and respect. Verbal abuse, threats or harassment by employees, managers, representatives of the union, or supervisors towards each other will not be tolerated. Discipline shall be handled in a professional manner.

**ARTICLE 7 - IMMIGRATION RIGHTS**

To the extent consistent with applicable law, no employee covered by this Agreement who has successfully completed his or her probationary period hereunder shall suffer any loss of seniority due to any changes in the employee's social security number, provided that the employee's new social security number is valid and the employee is authorized to work in the United States at and for the Company.

Nothing in this Article shall limit the Employer's ability to comply with IRCA, Homeland Security, TSA or other government or airport directives, rules and regulations.

In the event an employee who has completed at least one year of service is terminated due to a lack of proper work authorization, the employee shall be reinstated as soon as practicable to a vacancy in his or her former classification without a loss in seniority upon the employee's providing proper work authorization within one year of the date of termination. Employees with two (2) or more years of service shall be permitted 2 years from the date of termination to provide proper work authorization under the foregoing terms.

**ARTICLE 8 - SENIORITY (INCLUDING JOB POSTING AND BIDDING, LAYOFF, RECALL AND BREAKS IN SENIORITY)**

**8.1 Preamble**

The Employer and the Union agree that the purpose of seniority is to accord consideration for senior employees in recognition of their length of service. Seniority is further intended to provide maximum work opportunities to senior employees as it pertains to hours of work, days off, days of work, shift assignments, overtime, vacations, etc.

**8.2 Definitions:**



Classification seniority shall mean continuous length of service with the Company, or its affiliates, in the wage classification categories listed in Appendix A of this Agreement.

Company seniority shall mean continuous length of service with the Employer or its affiliates. Company seniority is used to determine eligibility for paid time off and bidding for job vacancies after classification seniority bidding.

The procedure enumerated in paragraph 8.9 shall be used to rank employees by seniority in the event they have the same Seniority Date.

Employees will be placed on the appropriate seniority lists upon satisfactory completion of their probationary periods with both Company and Classification seniority dates.

### 8.3 Seniority Rights:

The Company, subject to Employee qualification and the procedures outlined below, will recognize seniority for

- Job vacancies
- Schedule preference within a concept
- Preference for paid time off (vacation, holidays, etc.) within a concept
- Layoffs and recalls.

### 8.4 Temporary Openings:

Temporary openings, i.e., to cover absences, coverage for employees on vacation, overtime coverage or other unanticipated temporary staffing requirements, will first be filled with employees from within the same classification within the same unit. Volunteers will be solicited based on classification seniority. If the temporary vacancy cannot be filled with volunteers, then qualified employees may be assigned to cover the temporary vacancy in reverse order of classification seniority.

### 8.5 Job Posting and Bidding:

In filling job vacancies which may exist within the bargaining unit, qualified employees from within the bargaining unit shall be given preference in filling said vacancies prior to the consideration of other applicants. Seniority shall be the determining factor in filling vacancies when the Employer determines that the senior employee is qualified and has the ability to perform the job. Such determination shall not be arbitrary or capricious.

All job openings must be posted for a period of no less than seven (7) calendar days in all units. Job postings shall list the scheduled days and hours of work for this opening. If a qualified senior employee bids from within the bargaining unit, the Employer shall award the bid to that employee within fourteen (14) calendar days of the initial job posting date.

Permanent job vacancies, including jobs in new or remodeled units, shall be awarded to the most senior employee who submits a bid based on Classification seniority, in the following order of priority:

- 1) within the concept
- 2) within the bargaining unit
- 3) laid-off employee (if any exist at the time of the bid).

Vacancies not filled from within a Classification will be awarded to the most senior qualified employee (based on Company seniority) who submits a bid, in the following order of priority:

- 1) Within the concept
- 2) Within the bargaining unit
- 3) Laid-off employee (if any exist at time of bid).

If the Employer has been unable to fill the position through the above process, then the Employer may fill the position by hiring from outside the bargaining unit.

The Employer shall notify the Union monthly of all successful bidders.

#### **8.6 Transfer from Bid Probationary Period:**

Employees transferring to a new classification, shift or concept shall be entitled to a seven (7) calendar day trial period. The employee may choose to return to his or her former position within the trial period without loss of seniority.

#### **8.7 Layoff, Recall, and Bumping:**

If it becomes necessary to lay off employees, those employees with the least classification seniority within an affected job classification shall be laid off first. Employees on layoff shall be recalled in reverse order of layoff beginning with the laid-off employee with the greatest classification seniority within the affected job classification.

In the event of a permanent unit closing or layoff, a laid-off employee, based on classification seniority, will be permitted to bump into a position with the Employer in the same classification but in a different location or in a different schedule with comparable total hours, if available, held by an employee in the same job classification with less classification seniority. If there is no less senior person within the same job classification, the employee to be laid off shall be permitted to use his Company seniority to bump to a job classification in which the employee previously worked. Bumping shall not be permitted except in cases of permanent unit closing or layoff.

#### **8.8 Recall Notice and Rights:**

Employees on layoff shall be entitled to recall for a length of time equal to their Company seniority up to a maximum of twelve (12) months, provided they keep the Company advised of their current addresses and telephone numbers. Notice of recall will be mailed and e-mailed to the employee's last known address on file with the Employer. It is the employee's responsibility to maintain up to date address information on file with the Employer. Employees will have ten (10) calendar days from the date the notice of recall was mailed to respond and must report to work at the time, date and location, and in the position and shift, specified in the notice of recall. An employee's request to report to work at some time other than the time specified in the notice of recall will be reasonably considered, but any such request is subject to the needs of the business and the timeliness of the employee's response to the notice of recall.

#### **8.9 Same Date Seniority:**

In the event employees share the same seniority date, the senior employee shall be determined by adding the last four (4) digits of the employee's social security numbers. The employee with the higher sum shall be considered more senior. In any case in which sums are equal, the most senior employee will be the employee with the highest last digit of their social security number. If two or more such employees have equal last digits, seniority shall be determined by comparing each digit of such employees' social security number in reverse order (from last to first) until there is a difference between the digits. The employee with the highest digit at that point shall be considered more senior.

#### **8.10 Breaks in Seniority:**

Seniority shall be deemed broken and results in loss of employment for any of the following reasons:



- a. Voluntary quit;
- b. Discharge for cause;
- c. Failure to return to work in accordance with the terms of an approved leave of absence;
- d. Layoff for a period of twelve (12) months;
- e. Failure to return to work within ten (10) calendar days after receipt of notice by certified mail or recall from layoff as discussed in Article 7.8 above. Where the employer has provided more than ten (10) calendar days of notice, failure to return to work within one (1) day of the noticed return date shall constitute a break in seniority
- f. Knowingly applying for unemployment compensation benefits while on a medical;
- h. Other causes set forth in this Agreement.

## ARTICLE 9 - DISCHARGE, DISCIPLINE, AND PROBATIONARY PERIOD

### 9.1 Probationary Employees:

For the first ninety (90) days of employment, employees shall be probationary and may be dismissed or disciplined without resort to the grievance procedure. Once an employee completes his/her probationary period, his/her seniority shall be retroactive to his/her most recent date of hire with the Employer.

### 9.2 Discipline:

The Employer agrees to discipline and discharge only for just cause. The Employer recognizes the theory of corrective, progressive discipline. Progressive discipline will include a First Progressive Counseling, a Second Progressive Counseling, a Final Progressive Counseling, and then Dismissal. There shall be three (3) separate progressive disciplinary tracks, one for attendance and another for cash handling and another for conduct. Certain offenses are considered so serious as to constitute just cause whereby an employee may, at the discretion of the Employer, be discharged immediately. A non-exhaustive, but illustrative list of examples of such offenses constituting just cause includes, but is not limited to, the following:

- a. Drinking of alcoholic beverages or being under the influence of, in the possession of, or sale of alcoholic beverages or drugs on Employer time or premises. (Drugs are defined as any narcotics, depressants, stimulants, dangerous drugs or hallucinogenic drugs considered dangerous by the U.S. Dept. of Justice, Bureau of Narcotics and Dangerous Drugs. Prescription drugs are exempt.)
- b. Physically fighting on the premises of the Employer.
- c. Willful or unreasonable destruction or theft of Employer's property.
- d. Possession of firearm(s) or illegal weapon(s) on the Employer's or client premises and/or during work time.



- e. Sleeping on the job.
- f. Manipulation of payroll records with the intent of defrauding the Employer.
- g. Falsifying Employer documents.

### 9.3 Representative At Disciplinary Meeting:

An employee shall be permitted to have a Shop Steward or Union Representative at any meeting with the Employer or its agent, which meeting is for the purpose of investigating alleged misconduct by the employee that might be the basis for, or which may result in, the discharge, suspension or other disciplinary action with respect to the employee. If the employee indicates that he/she wishes a steward to be present, and one is not available, another bargaining unit person of the employee's choosing shall be asked to sit in as a witness. If no such bargaining unit person is chosen by the employee, the disciplinary meeting shall be temporarily postponed until a Shop Steward or Union Representative is available. In the meantime, depending upon the seriousness of the offense, the Employer may suspend the employee pending investigation.

### 9.4 Warning Disciplinary Notices:

(a) Written disciplinary notices (as outlined in Section 9.2 above) issued to employees must specify the events or actions for which the notice is issued. Written disciplinary notices (written warnings and terminations) shall be issued to employees within seven (7) calendar days of the event or action for which the written disciplinary notice is being issued.

(b) Disciplinary notices shall not be used as a basis for progressive discipline after a period of twelve (12) months and shall be removed from an employee's file.

### 9.5 Investigatory Suspensions:

Where appropriate, terminations may be preceded by a non-disciplinary suspension, not to exceed seven (7) calendar days in length unless the parties agree to a longer period, pending investigation of the allegations which may lead to discharge.

### 9.6 Shoppers Report:

The Union recognizes that the Employer and the Airport employ shopping investigators or "shoppers" in their operations. The Union and the Employer agree that with respect to shoppers:

- A. Employees shall be informed during their training of the Airport and Employer's use of shoppers.
- B. The Employer's shoppers shall provide factual reports of their observations of customer service situations and cash handling transactions. The Employer's Shoppers shall not use methods which would intimidate or confuse

employees. The Employer shall not employ shopping services which receive an additional fee for generating negative reports or pay their employees a fee or bonus for negative reports.

C. Employees and the Union will, on request, be shown copies of any shopper reports which are retained in the employee's personnel file.

D. The Employer will inform the employee as soon as practicable of a shopper's report that may result in disciplinary action.

## ARTICLE 10 - GRIEVANCE PROCEDURE AND ARBITRATION

### 10.1 Grievances:

The term "grievance" as used herein means any alleged violation, misinterpretation or misapplication of this Agreement and may be raised by an individual employee or group of employees covered by this Agreement, or by the Union on behalf of an individual employee or group of employees covered by this Agreement or by the Employer.

### 10.2 Time Limits:

The parties agree that grievances must be processed and resolved as expeditiously as possible. The number of days indicated at each step of the grievance procedure shall be considered maximum and every effort should be made to expedite the process. To that end, failure to meet the time limits by the grieving party at any step of the grievance procedure as outlined in this Article shall be deemed to be an abandonment and waiver of the grievance. Failure to meet the time limits by the party against whom the grievance is filed at any step shall be deemed to be a denial of the grievance by that party and the moving party may move on to the next step. Time limits may be waived by mutual agreement of the Employer and the Union.

### 10.3 Process and Steps:

The following constitutes the exclusive method for resolving grievances between the parties under this Agreement, unless any step is waived or modified in writing by mutual consent of the Employer and the Union. Grievances involving suspensions or terminations will proceed in accordance with Step Two. Although the parties will endeavor to meet any deadlines contained in this article, the parties agree that any such deadlines may be extended by mutual agreement.

#### Step One (Employee and Manager):

The employee shall, within five (5) calendar days of the incident or circumstance giving rise to the dispute, take the matter up with his/her immediate manager. The employee has the full right and involvement of the Shop Steward in this step. Settlements reached at this level shall be



considered non-precedential, unless the Employer and the Union Representative agree that the settlement shall be reduced to writing and may be used as a precedent in the future.

The Manager involved in the Step 1 meeting shall respond within five (5) calendar days of the Step 1 meeting.

Step Two:

If the grievance is not resolved after Step 1, then within five (5) calendar days of the Employer's Step 1 response, or date the Step 1 response was due, the grievance shall be reduced to writing and provided by the shop steward or union representative to the General Manager. The written grievance should list the specific provision(s) of this Agreement alleged to have been violated and the remedy sought. Within five (5) calendar days of the grievance being filed in writing, a meeting shall occur between the General Manager, the union representative, Steward and the grievant in an effort to resolve the grievance. The General Manager shall provide a written response within five (5) calendar days of the meeting.

Step Three:

If the grievance is not resolved after Step 2, then within five (5) calendar days of the Employer's Step 2 response, or date the Step 2 response was due, the grievance shall be submitted to the Employer's national Human Resource Director. Within five (5) calendar days of the grievance being submitted, a meeting shall occur between the Human Resource Director, the union representative, steward and the grievant in an effort to resolve the grievance. Such meeting may occur by telephone or videoconference. The Human Resource Director shall provide a written response within five (5) calendar days of the meeting.

Step Four (Arbitration):

In the event that the grievance cannot be settled in Step Three, the matter shall be referred to an arbitration within thirty (30) calendar days from receipt of the Human Resource Director's written decision. Due notice of submission to arbitration shall consist of written notice to the Employer if the issue is raised by the Union, or if the issue is raised by the Employer, written notice to the Union.

The arbitrator shall be selected by the Union and the Employer. If the parties are unable to agree on an arbitrator, either party may request a panel of seven (7) arbitrators from the Federal Mediation and Conciliation Service (FMCS). The parties shall alternately strike names from the list until one (1) name remains (grieving party shall strike first). The remaining person shall be arbitrator. The arbitrator selected shall hold a hearing promptly and shall issue a written decision not later than thirty (30) calendar days from the date of the close of the hearings or, if oral hearings have been waived, then from the date on which the written final statements and proofs on issues were submitted. The decision of the arbitrator shall be final and binding upon the parties.

This Arbitrator shall have no authority to amend, alter, add to or subtract from this Agreement. All expenses of the Arbitrator shall be jointly and equally shared by the parties. The decision of the Arbitrator shall become a part of this Agreement, and each of the parties hereto agrees to abide by the said decision of the Arbitrator.

#### 10.4 Sole and Exclusive Remedy:

The parties agree that the grievance procedure set forth in this Article shall be the sole and exclusive method of settling all claims, grievances or controversies arising out of the terms of this Agreement.

#### 10.5 Arbitration Awards:

All claims for wages lost because of unjust suspension or discharge shall be limited in the amount if any, agreed to by the Employer and Union or ordered by the arbitrator if taken to arbitration, but, in any event, less any unemployment compensation unless repayment of unemployment compensation is required by law (after final determination by the State).

### ARTICLE 11 - WORK TIME (INCLUDING HOURS OF WORK, OVERTIME, MEALS AND BREAKS)

#### 11.1 Work Schedules:

Five (5) days shall constitute a normal week's work, and eight (8) hours within eight and one half (8 1/2) hours shall constitute a normal day's work. However, the Employer may establish schedules of ten (10) hours worked within ten and one-half (10 1/2) hours. The ten (10) hour shifts shall be scheduled as a four (4) day work week, and only by agreement between the Employee and Employer. All shifts will include a thirty minute unpaid meal period.

Work schedules shall be posted in every unit and shall not normally vary from week to week. Workers shall be provided at least seven (7) calendar days' notice prior to the start of the scheduled work week regarding any temporary changes in hours of work or scheduled days off (e.g., changes due to vacation coverage or other limited-duration operational needs), except in cases of emergency. Such temporary changes shall be made in accordance with classification seniority.

All foreseeable requests for vacation shall be submitted at least fourteen (14) calendar days in advance.

#### 11.2 Clocking Out:

If the Employer determines that there is insufficient work, then the Employer may require employees to clock out in the following order: (1) volunteers; (2) employees in inverse order of seniority by classification in that unit



### 11.3 Overtime:

(a) All work performed in excess of eight (8) or in excess of ten hours (10) in a day, shall be compensated at one and one half times the employee's rate of pay. For employees working four (4) ten (10) hour shifts, all work performed on the fifth day during any five day period shall be paid at one and one-half times the regular rate of pay. All work performed on the sixth (6<sup>th</sup>) consecutive day of any seven day period shall be paid at one and one half time the regular rate of pay. All work performed on the seventh day of any seven day period shall be paid at two times the regular rate of pay, with a minimum of four hour pay at the double time rate.

(b) Assignment of overtime: Employees shall be expected to work overtime when requested. When there are more employees in the classifications than are needed for the overtime work, the Employer will offer work in the classification by seniority. If there are insufficient volunteers, the Employer may require employees in the classification to work in inverse seniority order.

(c) Notification: Unforeseen flight schedules or arrivals may affect the Employer's ability to provide advance notice of overtime. Employees working overtime shall be permitted to make necessary notification to their homes and families. It is understood that there are occasions that the employee will not be able to work overtime without advance notice due to child care, school schedule or other previously schedule responsibilities.

(d) Authorization: No employee shall work overtime unless such overtime work has been authorized in advance by his/her supervisor. Overtime shall be verified in writing by the supervisor on the employee's time record.

(e) No Pyramiding: There shall be no pyramiding of overtime or premium pay under the terms of this Agreement and under no circumstances will more than one (1) basis of calculating overtime or premium pay be used for the same hours.

### 11.4 Meals and Breaks:

Employees shall receive a 15-minute paid break period for every 4 hours worked. Employees working 5 or more hours shall be assigned by the Employer a 30-minute unpaid lunch break at a time consistent with applicable law.

Effective the first pay period in November 2017 all bargaining unit employees received a meal allowance with a maximum value of \$15.00 per day.

### 11.5 Time Between Scheduled Shifts:



No employee shall be scheduled by the Employer for a shift without being afforded a period of eight (8) hours or more rest after the completion of the previous regularly-scheduled shift, unless such employee has voluntarily bid for such a schedule.

#### 11.6 Definition of Work Week:

The work week shall begin on Monday at 12:00 a.m. and end on Sunday at 11:59 p.m.

### ARTICLE 12 - COMPENSATION

#### 12.1 Wage Rates:

Employees shall receive the minimum wage rates set forth in Appendix A.

On ratification date (10-30-17) and to be paid on the first pay period in November 2017 all bargaining unit employees to received an increase of \$0.70 per hour over their regular rate of pay.

All employees shall receive the following increase amounts during the term of this Agreement to be distributed to wage and benefits, per the parties agreement.

Effective the first pay period of July 2018, all bargaining unit employees shall receive an increase of \$0.70 per hour to be distributed to wage and benefits per the parties agreement.

Effective the first pay period of July 2019 , all bargaining unit employees shall receive an increase of \$0.65 per hour to be distributed to wage and benefits per the parties agreement.

Effective the first pay period of December 2019, all bargaining unit employees shall receive an increase of \$0.20 per hour to be distributed to wage and benefits per the parties agreement.

The above referenced hourly increases will be split and assigned to wages and benefits per communication from Local 19 to the Employer.

Effective the first pay period in November 2017 all full-time bargaining unit employees to receive a one-time \$500.00 lump sum payment. All part-time bargaining unit employees to receive a one-time \$250.00 lump sum payment.

#### 12.2 New Classification:

The Employer may establish new classifications with different duties than are covered by existing classifications. The Employer must bargain with the Union to establish a reasonable

wage rate for same. If the Employer and the Union are unable to agree on a reasonable wage rate within ten (10) days of the Employer's establishment of the new classification, then the Employer may designate a reasonable wage rate in its sole discretion. The Union may grieve this issue thereafter if it so chooses providing it does so within ten (10) calendar days of the Employer providing the Union with written notification of same, or else such grievance is waived for all purposes.

### **12.3 Cross-Classification Work:**

Any employee relieving another employee of a higher pay rate for over three (3) hours shall receive the higher pay rate for all hours scheduled and worked that day; however, the wages to be paid to the various classifications of employees shall be no less than the schedules attached hereto. This shall not apply to relief for meals or break periods.

When an employee regularly occupies a position combining two (2) or more classifications in any day, he or she shall be paid for that day at the rate of pay for the higher classification. This shall not apply to relief for meal periods.

### **12.4 Gratuities:**

Non bargaining unit personnel shall not be permitted to accept gratuities intended for bargaining unit members.

### **12.5 Pay Days and Direct Deposit:**

Employees will be paid twice monthly on the 5<sup>th</sup> and 20<sup>th</sup> day of each month. Upon request, the Employer shall conduct a tutorial meeting about payroll issues for interested employees.

Along with every paycheck, employees will be provided with a printed report showing the balance of all earned benefits (e.g., vacation, sick time, holidays).

The Employer will not deduct greater than \$25 from any one paycheck for arrearages due to missed payroll deductions.

### **12.6 Paycheck Discrepancies:**

The Employer shall make every effort to resolve any pay discrepancy issues within two (2) business days of the employee reporting such discrepancy.

It is the responsibility of every employee to clock in and out for each shift including breaks. Employees who fail to clock in and out will not be issued a manual check for time missed in the given payroll period. In these cases, once the discrepancy has been reported to the Human Resources department, the pay adjustment shall be made in the following payroll period.

#### 12.7 Reporting Pay:

Employees who report to work as scheduled but are not permitted to work or without having been notified that the airport is closed, shall be guaranteed one-half their scheduled hours to a maximum of two (2) hours work or pay in lieu thereof, unless (a) such employee arrives for work in a manner unacceptable to the Employer, (b) if the employee is notified before the start of a shift, or (c) if there is no work due to an Act of God or circumstances over which the Employer has no control. The employee is required to maintain an active phone number on file where notice "not to report" will be given.

#### 12.8 Meeting Pay:

If an employee is required to attend a meeting called by the Employer, such employee shall be paid at his/her regular straight time rate for such attendance. If the meeting takes place during an employee's regularly scheduled day off or non-work time, such employee will be paid a minimum of two (2) hours or the actual time spent in the meeting, whichever is greater.

#### 12.9 Maintenance of Wages:

No employee shall have his/her wages, benefits or other working conditions enjoyed by the employee reduced as a result of the ratification of this Agreement.

### ARTICLE 13 - PAID TIME OFF: Vacations, Holidays, Sick Time

#### 13.1 Vacations:

Vacations shall be credited on Employees' anniversary of service according to the following schedule:

1 yr = 5 days  
2 – 5 yrs = 10 days  
6 – 10 yrs = 15 days  
10 yrs+ = 20 days

Employees shall be permitted to accumulate and use up to one (1) additional week of vacation time beyond the annual allotment for his years of service. For example, an employee with 3 years' seniority may use up to fifteen (15) days vacation in any given year if he carried over one (1) week's vacation from the prior year.

Tipped employees shall receive one and one half times their regular rate of pay as vacation pay.

Employees who voluntarily terminate employment or are laid off shall receive pay for any unused vacation time.



Vacation may be used in increments of (one) 1 day or more.

### 13.2 Holidays:

New Year's Day	Memorial Day
July 4 <sup>th</sup>	Labor Day
Thanksgiving	Christmas Day
Martin Luther King Day	

Employees who do not work on a holiday shall receive straight-time pay at their normally-scheduled number of hours.

Employees who work on a holiday shall receive one and one-half (1 and ½) their normal hourly straight-time pay (plus overtime pay, if applicable) for all hours actually worked on the holiday. Work on Christmas will be pay at two times the rate of pay of the employee.

Holidays occurring during an Employee's vacation shall be paid as Holiday Pay in lieu of vacation pay.

### 13.3 Sick time:

All employees shall receive five (5) sick paid days per year, credited on January 1 of each year of the Agreement. Sick time may be used in half (½) day or more increments. A doctor's note may be required if an employee is absent for more than three (3) scheduled work days, or in instances where the employer has legitimate reason to suspect abuse.

On December 1<sup>st</sup> of each year of the contract, all employees will be able to cash out accrued sick time.

Employees will receive payment of accrued sick time upon termination

## ARTICLE 14 - LEAVE OF ABSENCES

### 14.1. Family and Medical Leave:

#### A. Family Medical Leave:

The Employer will grant a leave of absence in accordance with the Federal Family and Medical Leave Act (FMLA) and/or applicable State family leave laws. An employee will be granted up to 9 months of extra unpaid maternity/paternity leave for bonding.

**B. Additional Medical Leave:**

With appropriate medical documentation, employees who have completed six (6) months of service and who have exhausted their FMLA leave or are not eligible for FMLA leave, will be granted additional unpaid medical leave for personal serious illness or injury, provided that such leave is deemed a necessary reasonable accommodation required under either federal or local law. Employees with more than six (6) months of service but less than one (1) year may be granted leaves up to eight (8) weeks of unpaid medical leave.

**14.2 Funeral Leave:**

An employee who has completed probation shall be granted paid leave of absence to attend a funeral because of death in an employee's immediate family, which for the purpose of this provision shall be defined as spouse, child or step child, grandchild, parent, grandparent, current father-in-law or mother-in-law, brother, sister, or domestic partner. Funeral leave shall be limited to five (5) consecutive paid days, except where travel distances exceed 250 miles from the place of employment, in which case the employee shall be granted up to two (2) additional days off without pay to attend the funeral. The Employer may request proper verification. Funeral leave applies only in instances in which the employee attends the funeral, or is required to make funeral arrangements, but is not applicable for other purposes such as settling the estate of the deceased. Funeral leave is not compensable when the employee is on leave of absence, PTO, bona fide layoff or for days falling outside the employee's regular workweek.

**14.3 Jury Duty:**

When an employee covered by this Agreement is summoned for jury duty, the Employer shall grant such employee time off for jury duty and will pay the employee the difference between his/her jury duty pay and the regular straight time hourly rate for the regularly scheduled hours of work for up to five (5) work days in any calendar year, unless applicable state law requires better.

**14.4 Personal Leave:**

Employees with one (1) year of service desiring an unpaid leave of absence for personal or family circumstances, or as provided in Section 14.6 below, must first secure written agreement from the Employer. Such leave may be granted at the sole discretion of the Employer and shall not exceed six (6) months.

**14.5 Union Leave:**

Leaves of absence without pay or benefits shall be granted to employees for the purpose of accepting employment with the Union, provided that (a) the leave may not exceed six (6) months; (b) only one employee may take such leave at any time or during any six (6) month



period, whichever is longer; and, (c) while his/her seniority with the Employer will continue to accrue while on this leave.

The Company will further provide unpaid leave to employees to attend such conventions, meetings, and union functions with two weeks' notice from the Union.

#### 14.6 Military Leave:

Military leave shall be treated in accordance with the provisions of applicable Federal and State Law.

#### 14.7 Expected Return Date:

An employee on leave of absence shall be expected to return to work on or before the "Expected Return Date" set forth in his initial application or any subsequently granted extension. If the employee has been on a Medical, Disability or Workers' Compensation leave, such employee may be required to produce proof, before he or she returns to work, that he or she is physically able to return to duty. Upon returning to work, the employee shall be restored to his former position and shift (or equivalent shift) in that weeks' schedule. The employee shall notify the Employer forty-eight (48) hours before returning to work. Failure to return to work at the designated date, time and location at the end of any authorized leave of absence shall result in loss of seniority rights and shall be deemed a voluntary termination.

The Employer may require employees on medical leave of absence, or returning from medical leave of absence, to be examined by a physician chosen by the Employer, where permitted by applicable law. In such case, the Employer will pay the cost of said examination. Such examinations shall be limited to an evaluation of the employee for the conditions related to the circumstances requiring the leave.

### ARTICLE 15 – BENEFIT & TRUST FUND PROVISIONS

#### A. Health and Welfare

All Employees shall be eligible to have contributions made to the South Bay HERE Health & Welfare Trust Fund, as provided within the Agreement, after completion of three (3) months of continuous service to the Employer.

Effective the first pay period in November 2017 the Employer shall pay a flat rate of \$5.71 per straight time hour worked to the South Bay HERE Health & Welfare Trust Fund.

Contributions to the Fund are to be paid for each hour or fraction thereof worked by any Employee, and for each hour not worked but paid as Vacation or Sick Leave.

The contributions called for above shall be paid by the Employer to the Trustees of the Fund on or before the fifteenth (15<sup>th</sup>) day of each and every month. The Trust Fund shall be used to determine the health and welfare benefit plan.

Future increases in contributions will be determined by the Union via communication to the Employer as stated in Article 12.1 herein.

The Trust Fund shall be administered by a Board of Trustees selected by the Union and by the participating Employers, each to have an equal number of Trustees. The selection of the Trustees, their powers and duties and the detailed basis on which contributions are to be made shall be as set forth in the Fund Agreement. The Parties agree to be bound by all the terms and conditions of the aforementioned Fund Trust Agreement and to any amendments thereto.

Nothing in this Agreement or in the Fund Agreement shall require the Board of Trustees to provide or maintain any particular set of benefits, nor require the Employer to contribute to the Fund more than the amounts set forth in this Section.

Nothing in this Agreement shall prevent the Trustees from using accumulated reserves to purchase additional benefits.

The Employer agrees that the Employer Trustees selected in the manner herein provided, pursuant to said Fund Trust Agreement, shall be and are hereby authorized and empowered to act as the trustees of the Employer, as its agents in carrying out their duties and responsibilities as set forth in said Fund Trust Agreement.

Said Fund Plan or Trust may not incur for the Employer a cost not specifically negotiated herein, except as may be allowed by the Fund Trust Agreement. Said Fund Plan or Trust must at all times act within the law and maintain the tax-exempt status of all Employer contributions. The Fund Trustees shall have no authority to exceed the contribution rates specified in this Agreement. The Fund Trustees shall have no authority to change the provisions herein, except as allowed by the Fund Trust Agreement. Any audits by the Fund Plan or Trust must be conducted within three (3) years, and all contributions more than three (3) years old shall thereafter be stipulated to have been correct.

B. The Following Is Applicable To Health & Welfare Trust Funds:

1. The Employer agrees that if it sells, leases, subleases, franchises or transfers its business, any portion of its business or any department in its business wherein there are employed persons coming under the jurisdiction of the Union, it shall secure a written agreement from any person to whom said business is sold, leased, subleased, franchised or transferred, in which said person agrees to pay all contributions to the Trust Funds called for in this Agreement.

A copy of said written assumption agreement to pay said contributions shall be furnished to the Board of Trustees of said Funds and to the Union. Said copies shall show the date signed, the date of assumption, the names and addresses of the person or persons to whom said business is



sold, leased, subleased, franchised or transferred and shall be signed by said person or persons. An Employer failing to comply with the provisions of this subsection shall be responsible for and liable to pay any contributions due under the terms of this Agreement and the Trust Agreements herein referred to.

1. The Employer agrees to make its books and records available to auditors selected by the Trustees of said Funds at such time as said Trustees deem an audit necessary. If such audit reveals a 10% or more deficiency in payment of money due to the Fund or Funds by the Employer, the audit cost shall be paid by the Employer, otherwise by the Fund. Any deficiency found shall be paid immediately by the Employer to the Fund or Funds.

C. Pension Plan

The parties shall meet and confer at least ninety (90) days prior to the January 1, 2020 implementation of the pension plan to finalize the pension plan details. Effective the first pay period of January 2020 the employer shall make a contribution \$0.25 per/hour for all full-time bargaining unit employees to the agreed upon pension fund.

ARTICLE 17 – UNIFORMS:

Employer shall furnish uniforms to its employees as follows: Three (3) uniform shirts, one (1) uniform hat or visor, one (1) name tag, and one (1) apron if required for uniform. Each uniform or part thereof, must be returned upon termination. In the event such uniforms are not returned, the cost of any item of the uniform will be deducted from the employee's final paycheck. The Employer agrees to replace uniforms at its sole expense for normal wear and tear.

ARTICLE 18 - SUCCESSIONSHIP

18.1 Change of Ownership:

In the event that the Employer sells or assigns its business, or in the event that there is a change in the form of ownership, the Employer shall notify the Union as soon as practical in writing and shall make all payments which are then due or which shall be due as of the date of transfer of the business for wages, vacation and/or health and welfare for Employees.

18.2 Binding on Successors:

This Agreement shall be binding upon the successors and assigns of the parties hereto. No provisions, terms or obligations herein contained shall be affected, altered or changed in any respect whatsoever by the consolidation, merger, transfer or assignment of the Employer's interest, or any part thereof, in any establishment covered by this Agreement.

ARTICLE 19 - NO STRIKE/NO LOCKOUT:

This Agreement establishes a collective bargaining relationship and equitable procedures for the peaceful resolution of any disputes that may arise. Accordingly, it is agreed that during the term of this Agreement neither the Employer nor the Union (or its affiliates) nor the employees covered under this Agreement, will engage in, sanction, or authorize any job action of any kind, whether it takes the form of strikes, lockouts, slowdowns, picketing, boycotts, sympathy strikes, or any other interference with the operation of the Employer, whether such action is attributable to a dispute over existing contract rights, a dispute involving another unit of the Employer, another employer or Union, or any other reason.

Refusal of an employee to cross a picket line sanctioned by the South Bay Labor Council shall not be construed to be a breach of this Agreement.

#### ARTICLE 20 - HEALTH AND SAFETY

The Employer shall provide a healthy and safe working environment.

#### ARTICLE 22 - SEVERABILITY AND SAVINGS

If any provision of this Agreement or any application of this Agreement to any employee or group of employees is held invalid by operation of law or by a Court or other tribunal of competent jurisdiction, such provision shall be inoperative but all other provisions shall not be affected thereby and shall continue in full force and effect.

The parties agree to meet promptly to discuss the impact of the affected contract provision and to create a new provision as may be needed. Such discussions shall not "open" the Agreement during its term.

#### ARTICLE 23 - TERM OF THE AGREEMENT:

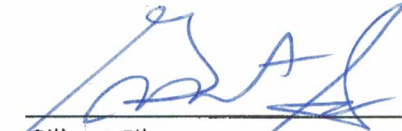
This Agreement is effective from January 1, 2017 and shall remain in full force and effect through June 30, 2020. This Agreement shall continue from year to year thereafter unless either party gives written notice with proof of receipt to the other party, to be received no more than ninety (90) days nor less than sixty (60) days prior to initial expiration or any yearly anniversary date thereafter, of intention to reopen or modify this Agreement. This Agreement may only be amended, supplemented, rescinded, or otherwise altered by mutual agreement in writing between the Employer and the Union.

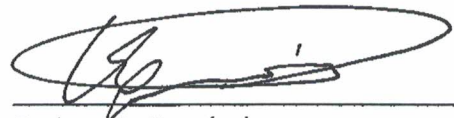
This Agreement supersedes all prior agreements and understandings, oral or written, expressed or implied, among the Employer, Union and employees covered by this Agreement and shall be the sole source of any and all rights claims which may be asserted pursuant to the grievance procedure set forth in this Agreement.

IN WITNESS WHEREOF, the Parties have caused their duly authorized representatives to execute this Agreement on their behalf on the dates noted below

FOR THE EMPLOYER:

FOR THE UNION:

  
\_\_\_\_\_  
Gilbert Silva  
Pacific Gateway Concessions

  
\_\_\_\_\_  
Enrique L. Fernández  
UNITE HERE, Local 19

Dated: 4/20/18

Dated: 4-12-18



## Appendix "A" - Wages

## Minimum Wage Rates

Classification	Current	10/30/2017	7/2/2018	7/1/2019	12/2/2019
Bartender	13.35	14.05	TBD	TBD	TBD
Server	12.15	12.85	TBD	TBD	TBD
Prep Cook	15.35	16.05	TBD	TBD	TBD
Cook	15.35	16.05	TBD	TBD	TBD
Barista	14.55	15.25	TBD	TBD	TBD
Snack Bar Attendant / Cashier	13.60	14.30	TBD	TBD	TBD
Utility	13.35	14.05	TBD	TBD	TBD
Warehouse Attendant	14.35	15.05	TBD	TBD	TBD
Host/Hostess	14.55	15.25	TBD	TBD	TBD
Baker	16.05	16.75	TBD	TBD	TBD
Lead	Add \$1.00 to classification rate				

The above rates shall be adjusted through the life of the Agreement to adjust for any changes required by changes in the Federal and State minimum wage laws. Any such adjustments to these rates shall be credited against the increases to the Minimum Wage Rates and/or the next across the board increases. All adjustments shall be processed as soon as administratively feasible following the applicable adjustment dates.



# EXHIBIT C

COLLECTIVE BARGAINING AGREEMENT

Between

UNITED FOOD AND COMMERCIAL WORKERS UNION  
LOCAL-5

And

PACIFIC GATEWAY CONCESSIONS

At

SAN FRANCISCO INTERNATIONAL AIRPORT



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## **PREAMBLE**

This Agreement is made by and between United Food and Commercial Workers Local 5, party of the first part (hereinafter designated "Union"), and Pacific Gateway Concessions at San Francisco International Airport, party of the second part (hereinafter designated "Employer").

## **ARTICLE 1 - DEFINITIONS**

1.1 "Employee" or "Employees" is defined as all full-time and regular part-time Sales Associates, excluding managers and supervisors employed by Pacific Gateway Concessions at its retail outlets at SFO.

1.2 Use of the masculine pronouns or terminology within this Agreement is for simplicity only, and is intended to be all-inclusive of both male and female.

1.3 Regular full-time employee is an employee who is scheduled (37.5) hours per week.

1.4 Regular part-time employee is an employee who is scheduled for less than (37.5) hours per week. Regular part-time employees shall be entitled to pro rata vacation and holidays, divided by the regular work week of (37.5) hours.

## **ARTICLE 2 - UNION SECURITY**

2.1 The Employer recognizes the Union as the exclusive bargaining representative of all Sales Associates, excluding managers and supervisors, employed by Pacific Gateway Concessions at its retail outlets at SFO.

2.2 All present employees who are not members of the Union on the effective date of this Agreement shall, as a condition of employment, become and remain members in good standing of the Union.

2.3 For purposes of this Agreement, the terms "members of the Union" and "members in good standing" shall be defined as one who timely tenders any initiation fee and/or monthly dues or fees as set forth in the Constitution or Bylaws of the Union and/or in accordance with applicable law.

2.4 New Employees may be hired from any source; however, any person employed in the bargaining unit shall be advised at the time of employment that the Employer is operating under a Union Contract.

2.5 The Union agrees to accept such persons for membership upon terms and qualifications not more burdensome than those applicable at such time to other applicants of the Union.

2.6 Whenever new employees are hired for jobs covered by this Agreement, the Employer agrees to:

A. promptly notify the Union of such employment in writing giving the date, place and job classification of the employment and the name, social security number, and address of the new employee;

B. promptly advise the employee of the terms and provisions of this Agreement and of the employee's obligations hereunder; and

C. direct the employee to report to the Union within seven (7) days from the time of employment to be advised of the terms and provisions of this Agreement and of the employee's obligations hereunder, and to complete necessary applications and forms.

2.7 The Employer will supply the Union, on a monthly basis, a list of all terminated bargaining unit members and the last day worked.

2.8 A properly accredited representative of the Union shall be allowed reasonable access to inspect the work conditions of the members, provided there is no disruption of the Employer's operation. It shall be considered a "disruption" as used in this paragraph if the union representative speaks to a customer(s) at any time or speaks to a Pacific Gateway employee while he or she is or should be serving a customer at the register or on the floor of the store. Such representative shall notify the Director of Human Resources or his or her representative prior to entering any Employer facility, pursuant to this provision.

2.9 Shop Stewards. There shall be (2) Shop Stewards. The Shop Stewards shall not interfere with the management of the business. The Shop Stewards may be designated by the Union to handle grievances and shall be given time off from their regular schedule without loss of pay to participate in grievance meetings with management which shall have been scheduled at mutually agreeable times. The Employer reserves the right to schedule grievance meetings during non-working hours. The Employer and the Stewards will treat each other with mutual respect.

A. Shop Stewards will be certified by the Union as having completed a course of study concerning the duties and responsibilities of a Shop Steward under this Agreement. Said certificate will be sent to the Employer. In order to be recognized as a Steward, the Union shall notify the Employer of the name of the certified Shop Stewards.



The Employer agrees to schedule one (1) store representative, designated by the Union, a day off, at the employee's daily straight-time rate based on the average daily hours worked in the pay period preceding, not to exceed eight (8) hours to attend an annual education meeting. The parties agree that such time shall not be considered time worked for the purposes of wages, overtime, benefit contributions or other incidents of "time worked". The union must give the employer two weeks (2) advanced notice of said meetings.

B. Shop Stewards shall not interfere with the Employer's direction of the workforce or with its customers. Shop Stewards must not leave their assigned work area for Union business without prior permission from their Store Manager or highest management authority present in the store. Shop Stewards must also receive permission from the Store Manager or highest management authority in the store of any store they wish to enter. Such permission will not be unreasonably withheld.

2.10 The Employer shall provide the Union with a bulletin board in each terminal near the time-clock for posting of notices and other material by the Union, which shall not disparage the Employer, supervisors or management.

2.11 No employee shall be disciplined or discharged for lawful union activity.

### **ARTICLE 3 - MANAGEMENT RIGHTS**

3.1 Management prerogatives and the exercise thereof shall be unqualified, and shall remain exclusively in the Employer and shall include, without limitation, all matters not covered by this Agreement as well as matters covered by this Agreement, to the extent that the latter are not limited or modified by the terms and conditions hereof.

3.2 It is further agreed that the following enumeration of management rights shall be deemed to include other rights not herein enumerated but shall be deemed representative and characteristic of the customary and usual rights which are retained by the Employer the right to hire, discipline or discharge for cause, lay off, transfer, classify, assign, promote, or demote employees; to determine or change the starting and quitting time and number of hours worked; to promulgate working rules and regulations; to establish new job classifications or change existing job classifications; the right to determine the products to be produced and sold, the location or relocation of facilities, and the processes and means of work, the right to subcontract out bargaining unit work to comply with City and County of San Francisco, San Francisco Airport Commission, DBE or MBE requirements; the right to establish conduct and safety regulations, schedules and technological changes; and to carry out the ordinary and customary functions of management whether or not possessed or exercised by the Employer prior to the execution of this Agreement. It is understood that vendors who stock their own merchandise on the shelves are not subcontractors and arrangements with such vendors do not constitute subcontracting.

3.3 The Employer may freely initiate and discontinue experimental programs, not to exceed one year in duration, as incentives or as positive reinforcement for employees, including but not limited to programs in the areas of attendance, safety, or recruiting, provided employees are notified in advance that it is a temporary experimental program, and provided it does not conflict with the provisions of this Agreement. The Employer shall notify the Union of any such experimental program. Upon request, the Employer shall bargain over the program with the Union.

3.4 New and Materially Changed Job Classifications. In the event the Employer establishes a new job classification or materially changes the duties of an existing job classification, it shall notify the Union and will meet with the Union to discuss the appropriate rate of pay. In the event of a disagreement as to the rate of pay, the Union may file a grievance and proceed to arbitration.

3.5 Employer Rules. In the event the Employer establishes rules for its employees, such rules shall be reasonable, not inconsistent with the terms of this Agreement, and shall be furnished to the Union upon request. If the Union disagrees with any rules, it shall file a grievance within ten (10) days of receiving them, and comply with Step One of the Grievance Procedure in Article 9.2 of this Agreement. Thereafter, the parties shall follow the steps and comply with the time limits set forth in the grievance and arbitration procedures set forth in Articles 9 and 10; provided, however, that if the Union does not file a timely grievance or otherwise comply with the grievance and arbitration procedures or deadlines, the Employer may implement the rules without further challenge to their adoption.

3.6 More Favorable Terms: If the Union grants to any other employer operating at the San Francisco International Airport and performing work similar to that performed by the Employer any lower wages, holiday, vacation or other benefits, or other terms or conditions more favorable to such employer than those provided hereunder, the Union shall immediately notify the Employer of such concessions and such better wage rates, benefits or other terms or conditions shall be made available to the Employer under this Agreement.

#### **ARTICLE 4 - WAGES**

4.1 Hourly Wage Rates:

Dec.28, 2013

\$13.47

Effective July 1, 2014, an hourly increase of \$0.28 (twenty eight cents) for all employees.

Effective December 29, 2014, an hourly increase of \$0.27 (twenty seven cents) for all employees.

Effective July 27, 2015, an hourly increase of \$0.28 (twenty eight cents) for all employees.

Effective December 28, 2015, an hourly increase of \$0.27 (twenty seven cents) for all employees.

Effective July 26, 2016, an hourly increase of \$0.28 (twenty eight cents) for all employees.

Effective December 26, 2016, an hourly increase of \$0.27 (twenty seven cents) for all employees.

Effective July 23, 2017, an hourly increase of \$0.28 (twenty eight cents) for all employees.

Effective December 17, 2017, an hourly increase of \$0.27 (twenty seven cents) for all employees.

4.2 Ordinance Waiver: To the fullest extent permitted, this Agreement shall operate to waive any provisions of San Francisco's Health Care Accountability Ordinance, Minimum Compensation Ordinance, and any other ordinance heretofore or hereafter adopted that may be or are inconsistent with any provision of this Agreement, and this Agreement shall supercede and be considered to have fulfilled all requirements of any such ordinance(s) as presently written, and as it or they may be amended or enacted during the life of this Agreement.

## **ARTICLE 5 - HOURS OF WORK AND OVERTIME**

5.1 The minimum regular work day for a regular full-time employee in the bargaining unit shall consist of 7.5 hours per day.

5.2 Time and one-half ( $1\frac{1}{2}$ ) shall be paid for all hours worked in excess of eight (8) hours in any one day and in excess of forty (40) hours in a week. All Sales Associates shall be paid time and one-half ( $1\frac{1}{2}$ ) for all hours or parts of hours worked after midnight until 5:00 a.m. If the hours or parts of hours worked after midnight and before 5:00 a.m. also exceed eight (8) hours in a day or forty hours in a week, the hours shall be paid at double-time their regular straight-time pay.

5.3 There shall be no pyramiding of overtime.

5.4 Employees' work schedules shall be posted seven (7) days in advance of any scheduled work days, except in cases of emergency, or Acts of God, or strikes.

5.5 An employee who is scheduled for a 7.5 hour day, who reports to work without having been notified not to report to work, shall in the event 7.5 hours of work is not available, be compensated by payment of four (4) hours pay at his/her regular straight time rate of pay. This provision shall not be applicable when failure to provide work is due to causes or conditions beyond the control of the Employer, or when an employee volunteers to go home early.

5.6 The Employer will use its best efforts to schedule Sales Associates with two (2) consecutive days off.

5.7 In the event an employee has less than ten (10) hours between the end of his/her shift and the starting of the next shift, the Employer will pay the employee time and one-half (1½) for all hours worked before ten (10) hours have passed since the previous shift ending time. Hours worked after the ten (10) hours have passed shall be paid at straight-time.

5.8 The regular 7.5 hour workday shall include two paid fifteen-minute breaks. In addition, the employee will be scheduled for an additional (½) hour unpaid meal period.

5.9 An employee shorted eight (8) or more hours on a paycheck will be paid within seventy-two (72) hours of notifying his/her manager. An employee shorted any hours on a paycheck will be paid out within 72 hours of notifying his/her Manager.

## **ARTICLE 6 – VACATIONS**

6.1 Effective January 1, 2015, All regular full-time employees shall be entitled to receive one (1) calendar weeks' vacation with pay after the first year of service, provided such employees have been in the employ of the Employer for not less than one (1) year at the time such vacation is granted. All regular full-time employees shall be entitled to receive two (2) calendar weeks' vacation with pay after the third (3<sup>rd</sup>) year of service; three (3) calendar weeks' vacation with pay after the seventh (7<sup>th</sup>) year of service; four (4) calendar weeks' vacation with pay after twelve (12) years of service and, five (5) calendar weeks' vacation with pay after twenty (20) years of service.



6.2 Each regular part-time employee who is on the Employer's active payroll on the employee's anniversary date shall be granted vacation in accordance with the preceding paragraph, but the vacation pay shall be pro-rated based on the number of days the employee is regularly scheduled to work per week, and on the number of hours he/she is regularly scheduled to work per day, at his/her regular straight-time rate. If an employee is on a leave of absence or otherwise absent from work for thirty (30) days or more, the number of vacation days granted on their next anniversary date will be pro-rated.

6.3 All yearly vacation allowance must be taken within the twelve (12) months following the employee's anniversary date. If a Sales Associate is unable to use his/her vacation within that period because the Employer has approved and subsequently denied his/her request, the employee, at the employee's request, may carry over or be paid out any unused vacation provided:

(a) the Employee has submitted a timely request for vacation that was approved by the Employer, and

(b) the Employer subsequently cancels the vacation request approval due to business necessity and agrees that it cannot be scheduled before the employee's next anniversary date.

6.4 The Employer shall post or make available a schedule of available vacation dates by January 1, and the employees shall indicate their preference of days, if any, by February 1. The principles of seniority shall be observed in the selection of vacation periods except that the employee may not, after February 1, exercise the right of greater seniority to change the vacation selection of an employee having lower seniority. The vacation schedule shall be finalized by March 1<sup>st</sup>. The Employer shall reserve the right to designate the number of employees that may be on vacation at any time, but in no event less than one employee in any one week.

6.5 No vacation shall be granted that is less than one (1) workday.

6.6 Pro Rata: Any employee who is discharged or laid-off or who resigns after six (6) months or more of employment shall receive vacation wages prorated on the basis of the period worked at the time of said interruption or termination of employment.

## **ARTICLE 7 - LEAVES OF ABSENCE**

7.1 Personal Leave: Upon written notice made at least two (2) weeks in advance, except in the case of bona fide emergency, employees who have completed at least one (1) year of service with The Employer, may request a personal leave of absence for a period of up to thirty (30) days without pay and without any loss of seniority. The Employer will respond in writing to the employee within seventy-two (72) hours of

receiving the request. Personal leave may be granted for a compelling reason at the Employer's discretion provided the leave does not seriously disrupt business operations. If business requirements permit, The Employer will return employees to their previous position or a comparable position. In no case shall a personal leave of absence be granted for the purposes of working at an alternate employer.

7.2 Military Leave: The Employer will comply with applicable State and Federal laws regarding military leave.

7.3 Pregnancy Disability Leave: The Employer will comply with applicable State and Federal laws regarding pregnancy disability leave. Employees may request to use accrued vacation and sick leave pay in conjunction with pregnancy disability leave. The Employer may require employees to use accrued sick leave. Otherwise, the remaining leave will be unpaid.

7.4 Family and Medical Leave Act (FMLA) Leave: To be eligible for leave under the FMLA, a Sales Associate must have been employed for at least twelve (12) months and have worked at least 1,250 hours.

A. An eligible Sales Associate may take FMLA leave for up to twelve (12) weeks per rolling calendar year for any of the following three (3) reasons: (1) to care for a newborn child or child newly placed in the Sales Associate's custody through adoption or foster care or for a period of up to one (1) year after such birth or placement; (2) to care for the Sales Associate's spouse, domestic partner, child or parent who has a serious health condition; (3) due to the Sales Associate's own serious medical condition if that health condition renders the Sales Associate unable to perform his/her normal job duties.

B. An employee must make every effort to schedule the medical treatment of the employee, spouse, domestic partner, child or parent so as not to unduly disrupt the operations of The Employer.

C. The Employer may require initial certification by the healthcare provider of the serious health condition of the employee, spouse, domestic partner, child or parent before granting any leave of absence. The Employer may also require re-certifications of the need for leave every thirty (30) days. Failure to submit the proper certification within fifteen (15) calendar days will revoke an employee's entitlement to the continued leave unless not practicable under the particular circumstances to do so despite the employee's diligent good faith efforts.

D. Substitution of paid leave:

1. Leave for the bonding and care of a newborn child, or placement of a child with the employee for adoption or foster care, must conclude within 12 months of the birth or placement. During such leave, the Employer may require employees to use any accrued vacation. Where permissible by law, the Employer may require employees to use any accrued sick leave pay during such leave. Otherwise, the remaining leave will be unpaid.

2. During a leave to care for a spouse, domestic partner, child or parent with a serious health condition, employees may request or the Employer may require employees to use up to one-half of their accrued sick leave pay. During a leave due to the serious health condition of the employee, employees may request or the Employer may require employees to use accrued sick leave pay. Otherwise, the remaining leave will be unpaid.

E. There are no accruals of vacation, sick or personal leave provided for employees during FMLA leave or any other leave of absence.

F. Return from Leave:

1. Upon timely return from leave, the employee will be returned to his/her prior position, or equivalent position, with equivalent benefits, pay and other terms and conditions below. (a) An employee who has taken leave for his/her own serious health condition is required to submit a certification from his/her health-care provider that the employee is able to resume his/her position before returning to work.

G. Failure to return from Leave: Once the leave expires and the employee does not return to work, the Employer has no obligation to continue paying health insurance benefit premiums on behalf of the employee and has no obligations to restore the person to his/her job or an equivalent position, and the Employer may treat the employee as having voluntarily resigned.

H. Additional Employee Responsibilities: Where the leave is because of the employee's own serious health condition, the Employer, at its own expense, may require the employee to obtain a second medical certification from a health care provider. The Employer may choose the health care provider for the second opinion. If the opinions of the employee's and the Employer's health care providers differ, the Employer may require the employee to obtain a third opinion at the Employer's expense. Both the Employer and the employee must approve the third health care provider. The third opinion will be final and binding. It is the employee's sole responsibility to ensure that all certification and required forms are submitted to the appropriate person in a timely manner. Failure to do so can result in disciplinary action up to and including immediate discharge.

## ARTICLE 8 - SENIORITY

8.1 Preamble: The Employer and the Union agree that the purpose of seniority is to accord consideration to senior employees in recognition of their length of service.

8.2 Definition: Seniority is an employee's length of continuous service with the Employer within a job classification within the bargaining unit, measured in years, months and days from his/her date of hire into the bargaining unit. When two or more employees are hired on the same day in the same classification, their seniority shall be determined by the first letter in said employees' last names closer to 'A', and, in the case of a tie, the second and third letters, etc. In the event of identical last names, the first name will be used, then the middle name.

8.3 Layoff and recall: When it is necessary to lay off employees, those with the least amount of seniority in the affected classification shall be laid off first. When the work force is increased in an affected classification, employees on layoff shall be recalled in reverse order of the layoff beginning with the most senior laid off employee in the classification.

8.4 Scheduling: Nothing contained in this section shall be construed to interfere with the Employer's right to establish the hours and days of operation and the number of employees to be scheduled.

When the Employer determines that a particular schedule of hours is available in a particular store, the schedule will be offered first to the most senior Sales Associate in that store. If no one within the store wants the available schedule, Sales Associates from other stores who have applied for promotion or transfer will be considered for the schedule, in order of Employer seniority.

8.5 Break in Seniority: Seniority will be forfeited when any of the following occur:

- (a) Resignation or discharge.
- (b) Failure to report to work immediately following a physician's release from illness or injury, or failure to report to work at the expiration of an authorized leave of absence, unless excused by the Employer.
- (c) Failure to report to work following a recall from layoff within the earlier of three working days after receipt or five working days after mailing of notice of recall by certified mail, return receipt requested, at the last address in the Employer's records.



(d) Failure to inform the Employer while on layoff or authorized leave of a change of address.

(e) Absence for two (2) consecutive days without notice to the Employer, except where the employee can provide proof of a bona fide reason showing the events were beyond the employee's control.

(f) Falsification of the reasons for leave of absence or when the employee is employed by another employer during a leave of absence, unless on an approved leave to work for the Union.

(g) Lay off for a period of six (6) months, or a period exceeding the employee's continuous service, whichever is less, unless the layoff is for the construction or remodeling of a store, in which event the layoff can continue until construction or remodeling is complete, up to a maximum of one year.

(h) Sickness and Non-Industrial injuries: Absence due to sickness or non-industrial injury for more than six (6) months.

(i) Failure to report to work within ten (10) calendar days following a decision of an arbitrator reinstating an employee from discharge.

8.6 Once an employee completes his/her probationary period, his/her seniority shall be retroactive to the date of hire with the Employer.

8.7 Upon request, the Employer shall furnish to the Union a current seniority list every six months.

8.8 Promotion: Determination of which employee is to be promoted will be based upon reasonable qualifications. If two employees have the same qualifications, promotion will be based upon seniority. "Qualifications" shall include such factors as experience (both current and previous jobs), job performance, aptitude, attendance, etc. No trial period shall be required, unless requested by the employee. Where an employee who has been promoted is unable to perform the duties of the higher classification, or is being laid off from a classification, the employee shall have the right to be demoted to the employee's former or equivalent position without loss of seniority, and the right to such employment shall not be jeopardized by reason of such demotion; provided, however, regardless of any self-demotion permitted under the foregoing, the Employer may impose disciplinary action for conduct preceding an employee's decision to self-demote.

All permanent job vacancies shall be posted, at each store of the Employer within the seniority area specified herein, for a period of five (5) days. The job posting shall specify the job classification and location of the store where the permanent job vacancy exists. Any employee interested in the permanent job vacancy must request the

position in writing to the Store Manager on or before the expiration of the posting period. In the event the Employer decides to promote an existing employee to fill the permanent job vacancy, then, in that event, the selection of the employee to be promoted shall be in accordance with the provision set forth herein.

Any such successful bidder who thereafter declines the promotion or is unable to perform the duties of the job shall be ineligible for any subsequent promotional bid for a period of six (6) months.

The Employer agrees to provide the Union with a list of employees who have been promoted, at the time of such promotion.

## **ARTICLE 9 - GRIEVANCE PROCEDURE**

9.1 A grievance is hereby defined as any claim or dispute between the Employer and the Union or between the Employer and any employee which involve interpretation, application or enforcement of this Agreement disputed by both parties. Employees awaiting the outcome of a grievance or arbitration are to continue to follow the rules and instructions of the Employer in the interim.

9.2 All grievances must be filed and processed in accordance with the following exclusive procedure or they shall be deemed waived.

Step One: When the Union or any employee has a grievance, they shall notify the Employer in writing and discuss this grievance with management within ten (10) business days of the occurrence or of the time the Grievant should have reasonably had knowledge of the occurrence which gave rise to the grievance. The Grievant has the right to request the presence of a Union representative or Shop Steward at this Step One Meeting.

Step Two/Mediation: If the grievance is not settled in the Step One meeting, it may be submitted to one unpaid representative designated by the State Conciliation Service for non-binding mediation. Both parties must agree in writing in order for a grievance to be so mediated. The representative shall hear a case within ten (10) days after receipt of notice given in writing by either party. If the aggrieved party fails to notify the other of its intention to pursue said grievance to arbitration within fifteen (15) days after the mediation hearing or after either party's receipt of written refusal from the other party to engage in mediation, then the grievance will be considered abandoned.

9.3 Time Limits: The time limits specified in this Article may be extended by mutual written agreement between the Employer and the Union. For purposes of grievances and arbitrations, "days" shall be exclusive of Saturdays, Sundays and holidays.

## ARTICLE 10 - ARBITRATION

10.1 In the event the Union desires to pursue or grieve to arbitration, it shall notify the Employer and Federal Mediation and Conciliation Service in writing by certified mail, within the fifteen (15) day period described in 9.2 above.

10.2 The arbitration shall proceed in accordance with the current rules of the Federal Mediation and Conciliation Service or in accordance with any rules agreed between the Employer and the Union.

10.3 Compensation and expenses of the neutral arbitrator, including any cost of a transcript and/or translator, shall be borne equally by the Employer and the Union.

10.4 All disciplinary action grievances shall be submitted to expedited arbitration. There shall be no briefs or transcripts. The arbitrator shall render a decision in writing within seven (7) days of the conclusion of the hearing.

10.5 Contract interpretation cases (non-discipline related) may be submitted to expedited arbitration by mutual agreement of the parties.

10.6 Except for expedited arbitrations, the decision of the arbitrator shall be issued within thirty days of hearing or submission of post-hearing briefs, and such briefs must be filed with the arbitrator within twenty-one (21) days of the hearing or receipt of transcripts, if requested, whichever is later.

10.7 Arbitrators shall have no authority to amend, alter, add to, or subtract from the terms of the agreement. The wages or wage scales established by this agreement shall not be changed by any arbitration decision.

10.8 All arbitration decisions shall be final and binding on the parties.

10.9 Retroactivity. Awards or settlement of grievances shall in no event be made retroactive beyond the date on which the grievance was first presented in Step One of the Grievance Procedure, except if the grievance concerns an error in the employee's rate of pay or benefit levels, in which case the proper rate or benefit shall be applied retroactively to the date the error occurred. All claims for back wages shall be limited to the amount agreed to by the Employer and the Union, or ordered by the Arbitrator, as the case may be, less any unemployment compensation or wages or remuneration that the aggrieved employees may have received from any source during the period for which back pay is claimed.

## **ARTICLE 11 - WORKING CONDITIONS**

11.1 The Employer and the Union agree that they will fully comply with all applicable state and federal laws and regulations regarding discrimination against any employee or applicant for employment because of such person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, marital status, veteran's status, or disability.

11.2 It is further agreed that with respect to the Americans With Disabilities Act ("ADA"), should there be a conflict with this provision of this agreement and compliance with the ADA, particularly essential job functions, physical requirements and reasonable accommodation required by the ADA (such as modified work schedules, reassignment, job restructuring, etc.), the ADA requirements shall prevail. However, the Employer shall meet its ADA requirements in a manner as to create the least possible conflict with the terms of this Agreement.

11.3 The Employer will allow employees to purchase two bottles of water per day at \$1.00 per bottle.

11.4 After checking with security, all employees can bring in their own hand sanitizers (either wipes or liquids), as long as they are in a one quart baggie.

## **ARTICLE 12 - UNIFORMS**

12.1 The Employer shall furnish any uniforms, shirts, sweaters and/or vests required by the Employer. A minimum of four (4) shirts shall be furnished for all Sales Associates every year. In the event vests or sweaters are required, each Sales Associate will be furnished with two (2) of each every year.

12.2 Required black trousers shall be acceptable, basic street clothing, which can be worn as street clothes outside of work.

12.3 The Union shall make every effort to aid the Employer with respect to the return of uniform shirts, sweaters and/or vests.

## **ARTICLE 13 - SUCCESSORS**

13.1 This Agreement shall be binding upon the heirs, successors and assigns of the parties hereto.



## **ARTICLE 14 - LIMITATION OF CLAIMS**

14.1 In no event shall the Employer be liable to the employee in excess of ninety (90) days prior to the date of filing a claim by an employee for any amount(s) which are due him/her from the Employer, including adjustment of wages, hours or any other benefit, except the following: health and welfare contributions, increases as called for by the contract which are not implemented by the employer, and vacations as noted below. In cases of increases not given, the right to retroactive payment would commence from the date of the increase.

14.2 In cases of promotion, the pay would be retroactive to the date of promotion.

## **ARTICLE 15 - HOLIDAYS AND PERSONAL DAYS**

15.1 New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day shall be designated as holidays.

15.2 Each regular full-time employee and each regular part-time employee not scheduled to work on any such holiday shall be paid the number of hours he/she is regularly scheduled to work at his/her regular straight-time rate of pay provided that (a) such employee has satisfactorily completed his/her probationary period preceding the holiday involved; and (b) such employee works his/her entire scheduled work day immediately preceding the holiday and his/her entire scheduled work day immediately following the holiday, except for absence approved by The Employer.

15.3 A non-probationary employee working on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day shall receive time and a half his/her regular hourly rate for all hours actually worked on these days. It is the intent of this section to pay premium pay only for hours worked on the above holidays and not for hours worked on the day the holiday is celebrated.

15.4 An employee who is scheduled to work on any holiday and does not work shall receive no holiday pay, unless excused by The Employer.

15.5 Each regular full-time Sales Associate who is on the Employer's active payroll shall be entitled to two (2) personal days per year, based on the number of hours he/she is regularly scheduled to work per day at his/her regular straight-time rate. Part-time Sales Associates shall receive two (2) pro-rated personal days.

15.6 Personal days shall be earned at a rate of 1/6 of a day per month, up to the maximum described below.

15.7 Regular full-time Sales Associates will be eligible to take one (1) personal day the pay period following the completion of the first six-months of employment.

15.8 Fifteen (15) days' advance written notice is required for use of a personal day. The number of employees who shall be allowed to take a personal day at one time shall be based upon the business needs of the Employer. Where too many employees request the same personal leave day, seniority shall prevail.

15.9 Personal days may accrue to a maximum of three (3) days. Once an employee reaches the maximum accrual, there will be no further accrual of personal days until a personal day is used, unless otherwise approved by the Employer.

#### **ARTICLE 16 - HEALTH AND WELFARE BENEFITS**

16.1 After completing ninety (90) days of employment during which they worked more than twenty-four (24) hours per week, employees are eligible to participate in any of the Employer's corporate-sponsored health, dental, 401(k), or employee discount plans, in accordance with the provisions of each plan, which may be altered, cancelled or enhanced at the discretion of the Employer. Employees are eligible to enroll in and continue participation in these plans only if they regularly work in excess of twenty-four (24) hours per week; ineligible employees shall receive an allowance of an additional fifty cents per hour (\$.50/hr) worked after completing ninety (90) days of employment. Employees shall not be paid said \$.50/hr allowance in any month, or portion thereof, in which they are eligible for health insurance coverage provided in whole or in part by the Employer; provided, however, that such employees shall receive said \$.50/hr allowance if they provide proof that they are covered by other health insurance.

A new PPO dental plan will be added as an option of dental carriers. An employee who selects the PPO dental coverage plan will pay the difference in premium between the HMO and PPO coverage.

#### **ARTICLE 17 - STRIKES AND LOCKOUTS**

17.1 Employees covered by this Agreement shall not engage in any strikes, slowdowns, sit-downs, sympathy strikes, work stoppages or picketing. Neither the employees covered by this Agreement, the Union, nor any officers, agents, or other representatives of the Union shall, directly or indirectly, authorize, assist, encourage, condone, ratify, lend support, or in any way participate in any strike, slow-down, sympathy strike, work stoppage, sit-down or picketing during the life of this Agreement. Upon learning of any such prohibited action, the Union shall make every reasonable effort to end such action, including the issuance of orders, verbal and written, to the employees of their obligation to return to work.

17.2 The Employer agrees not to engage in any lockout during the term of this Agreement. Complete or partial reduction of operations for economic reasons shall not be considered a lockout.

17.3 Employees participating in any action described above will be subject to discipline up to and including immediate discharge.

#### **ARTICLE 18 - SICK PAY BENEFIT**

18.1 "Sick leave" is defined as an absence of an employee from work by reason of illness or injury, which is not work-related under the California Worker's Compensation laws.

18.2 Full-time Sales Associates accrue sick leave at a rate of one-half (1/2) of a day per month. Part-time Sales Associates will accrue sick leave on a pro rata basis based upon hours worked. Sick leave is paid based upon the average number of hours worked per week

18.3 Earned sick leave is paid to employees who have completed their probationary period, starting on the first full scheduled day that the Sales Associate is out due to illness or injury.

18.4 To be eligible for benefits under this Article, employees who are absent must notify their manager or the manager's designee, not later than two (2) hours prior to the start of their regularly scheduled work day. Sales Associates must personally notify their manager each additional day that they are out sick. Sales Associates may take sick leave in full-day or half-day increments.

18.5 The Employer reserves the right to require a doctor's certificate in order for the employee to receive sick leave.

#### **18.6 Sick Leave Pay**

(A) Regular full-time employees shall be entitled to a maximum of six (6) days' sick and accident leave with pay each year. Unused sick and accident leave shall not be carried over to subsequent years but shall be paid out to the employee at the end of each calendar year, provided the employee is an active employee at that time.

(B) Regular part-time employees shall be entitled to sick and accident leave with pay after six (6) months of service with the Employer on a pro rata basis of straight time hours worked.

## ARTICLE 19 - FUNERAL LEAVE

19.1 In the event of the death of an employee's parent, parent-in-law, grandparents, spouse, domestic partner, sister, brother, or child, an employee who has completed his/her probationary period will be allowed up to five (5) regularly scheduled days off with pay at his/her regular straight-time rate based upon the hours which the Sale Associate was actually scheduled to work, so long as one of those days is the day of the funeral and provided further that he/she attends the funeral. Provided the Employer determines that additional unpaid leave does not conflict with its business needs, the Employer will provide an additional unpaid leave to travel to and attend the funeral of (a) up to five (5) days, if the funeral is within the United States, or (b) up to ten (10) days, if the funeral is outside of the United States.

19.2 There will be no duplication of payment that the employee may otherwise receive under this Agreement. Proof of death and verification of relationship may be required.

## ARTICLE 20 - DISCIPLINE

20.1 The Employer shall not discharge or discriminate against an employee for lawful Union activities.

20.2 Probation: There shall be a probationary period of ninety (90) calendar days for all employees. During the probationary period, a probationer may be discharged without right to grieve or arbitrate the discharge, except if such discharge is in violation of Article 19.1 of this Agreement.

20.3 Work Performance: The Employer shall have the right to discharge any employee for just cause. If the employee feels that he/she has been unjustly discharged, he/she shall have the right to file a grievance through the Union with the Employer within ten (10) business days after the date of said discharge.

20.4 Upon severance of employment of any employee, the Employer shall within seven (7) calendar days thereafter notify the Union of such resignation, layoff or discharge. If discharge is for cause, the Employer agrees to submit the reasons therefor to the Union upon written request.

20.5 Record: Any employee who is terminated shall, upon request, be given a statement setting forth the date of hiring.

20.6 Polygraphs: No Employer shall demand or require any applicant for employment or prospective employment or any employee to submit to or take a polygraph, lie detector or similar test or examination as a condition of employment or continued employment.



## **ARTICLE 21 - SHOPPER SERVICES**

21.1 The Union recognizes that the Employer employs Shopping Investigators or "shoppers" in its operations. The Employer's purpose for using shoppers is to ensure quality of customer service, to ensure that proper procedure is being followed in cash handling, and to ensure the integrity of cash transactions.

21.2 Employees shall be informed during their training of the Employer's use of shoppers. The Employer shall not employ shopping services which receive an additional fee for generating negative reports, or pay their employees a fee or bonus for negative reports.

## **ARTICLE 22 - FULL AGREEMENT**

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining, and that all such subjects have been freely discussed and negotiated, and the agreements contained in this Agreement were arrived at after the free exercise of such rights and opportunities. Most particularly, all of the wages and economic fringe benefits to be received by the employees in the bargaining unit are set forth in this Agreement, and the Union will not claim entitlement for any wages or economic fringe benefits not set forth in this Agreement. The Employer and the Union, for the life of this Agreement, each agree that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered by this Agreement, whether or not such subject matter was within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this agreement.

### ARTICLE 23 - DURATION

This Agreement shall remain in full force and effect from December 30, 2013, to December 29<sup>th</sup>, 2017, and shall be automatically renewed from year to year thereafter unless either party at least sixty (60) days prior to December 29<sup>th</sup>, 2017, of any succeeding term, shall notify the other party in writing of its intention and desire to change, modify, or terminate this Agreement. In no event shall this Agreement continue beyond the date of the termination of the Employer's contract to operate retail business at SFO.

FOR THE EMPLOYER:

\_\_\_\_\_

Date: \_\_\_\_\_

FOR THE UNION:

\_\_\_\_\_

Date: 5-5-15

# **EXHIBIT D**

**COLLECTIVE BARGAINING AGREEMENT**

**BETWEEN**

**UNITE HERE LOCAL 49**

**AND**

**PACIFIC GATEWAY CONCESSIONS, LLC  
(SACRAMENTO INTERNATIONAL AIRPORT)**

**Effective June 2015 through January 1, 2019**

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## PREAMBLE

This Agreement is made by and between UNITE HERE Local 49, (hereinafter designated "Union"), and Pacific Gateway Concessions, LLC, located at Sacramento International Airport (hereinafter designated "Employer").

## ARTICLE 1 – DEFINITIONS

1.1 "Employee" or "employees" is defined as all full-time and regular part-time Sales Associates, excluding managers and supervisors, employed at Pacific Gateway Concessions, LLC, at its retail outlets at the Sacramento International Airport.

1.2 Use of masculine pronouns or terminology within this Agreement is for simplicity only, and is intended to be all-inclusive of both male and female.

1.3 Regular full-time employee is an employee who is scheduled for thirty (30) or more hours per week.

1.4 Regular part-time employee is an employee who is scheduled for less than thirty (30) hours per week. Regular part-time employees shall be entitled to pro rata holidays (other than floating holidays) and personal days based upon actual hours worked per week, divided by the regular work week of 40 hours.

## ARTICLE 2 - UNION SECURITY AND UNION RIGHTS

2.1 The Employer recognizes the Union as the exclusive bargaining representative of all Sales Associates, excluding managers and supervisors, employed at Pacific Gateway Concessions at its retail outlets at Sacramento International Airport.

2.2 All present employees who are not members of the Union on the effective date of this Agreement shall, as a condition of employment, on or before the 31<sup>st</sup> calendar day following the effective date of this Agreement, become and remain members in good standing of the Union.

2.3 All new employees hired on or after the effective date of this Agreement shall, as a condition of employment, on or before the 31<sup>st</sup> calendar day following the beginning of such employment, become and remain members in good standing of the Union.

2.4 For purposes of this Agreement, the terms "members of the Union" and "members in good standing" shall be defined as those who timely tender any initiation fee and/or monthly dues or fees as set forth in the Constitution and Bylaws of the Union and/or in accordance with applicable law.

2.5 Upon written notice from the Union of failure on the part of any individual or Employee to

complete membership in the Union as above required, or pay fees as provided by applicable law, the Employer shall within fourteen (14) days of such notice, discharge such Employee. The Union shall indemnify the Employer in any suit brought by such affected Employee for wrongful termination. In lieu of such discharge the Employer may agree, with the affected Employee's permission, to deduct from the wages of said Employee the Union's initiation fee or reinstatement fee and dues, or fees as provided by applicable law. Such Agreement shall be upon a form approved by the Union.

2.6 The Employer shall notify the Union of all job openings within the bargaining unit covered by this Agreement. The Union may refer qualified applicants for such openings. In interviewing and hiring for such job openings, the Employer shall not discriminate against any applicant referred by the Union. The Employer shall be the sole judge of the selection and qualifications of new hires. Any person employed shall be advised at the time of employment that the Company is operating under a Union contract.

2.7 The Union agrees to accept such persons for membership upon terms and qualifications not more burdensome than those applicable at such time to other applicants of the Union.

2.8 The Employer agrees to provide, assist in the completion of, and remit any forms necessary to perfect membership to the Union.

2.9 A properly accredited representative of the Union shall be allowed reasonable access to inspect the work conditions of the members, provided there is no disruption of the Employer's operation. It shall be considered a "disruption" as used in this paragraph if the union representative speaks to a customer(s) at any time or speaks to a Pacific Gateway Concessions employee while he or she is serving a customer at the register or on the floor of the store. Such representative shall notify the General Manager or his representative prior to entering any Employer facility, pursuant to this provision.

2.10 The Employer agrees to escort a Union representative to secure airport areas where the Employer conducts business at reasonable times and with reasonable notice, subject to approval of the airport. In the event the airport agrees to permit a Union representative such access without an escort, the Employer agrees reasonably to assist the Union in obtaining such access.

2.11 Within ten (10) days following new employee(s) being hired by the Company, the Union will be provided with the name, classification, address and hire date of said new bargaining unit employee(s). If the employee consents, a union representative or Shop Steward shall be afforded the right to meet with all new hires for a maximum of thirty (30) minutes within fifteen (15) calendar days of the new employee's first work shift. Any new employee(s) will be paid for time spent in shop steward meeting described herein. No shop steward, however, will be paid for time spent in such meetings. In addition, shop stewards may not attend such a meeting when scheduled to work. The parties will agree upon an appropriate location free from management staff for this meeting.

2.12 On or before the first day of each month the Union shall transmit to the Employer a list of employees, with a notation beside each name as to the amount to be deducted from the pay of such employee for such month. The Employer shall deduct from the first pay for such month of each employee on said list the amount shown opposite the name of such employee, and may rely on the accuracy of said list, without checking same against the authorized forms which it has been furnished, or otherwise. The amount so deducted shall be promptly remitted to the Local Union on or before the 20<sup>th</sup> day of that same month. With the dues remittance, the Employer shall also submit one list of all bargaining unit employees, showing their names, their social security numbers, their dates of hire, job classifications, home addresses, telephone numbers, dates of birth, hours worked, the total amount deducted from each employee each month, and the reason if no deduction was made. The employer shall securely deposit the list in an electronic format approved by the Union. The Employer will ensure the list identifies any changes in employment status, including new hires, terminations, and leaves of absence. In the case of leaves of absence, the Employer will identify the type of leave, as well as the start date and anticipated end date. In the event that improper deductions are made and remitted to the Union as the result of the information on the list supplied by the Union, the employee's recourse shall be from the Union, and the Union hereby agrees to save harmless from and indemnify the Employer for any liability, which may result from any such improper deduction. Clerical mistakes will be equitably rectified where possible.

2.13 The Union shall be privileged to change the amount of initiation fees and monthly dues upon thirty days written notification to the Employer.

2.14 Shop Stewards. The Union shall have the right to appoint or elect Shop Stewards at the Company. There shall be up to two (2) Shop Stewards. The Shop Stewards shall not interfere with the management of the business. The Shop Stewards may be designated by the Union to handle grievances and shall be given time off from his/her regular schedule without loss of pay to participate in grievance meetings with management which shall have been scheduled at mutually agreeable times. The Company reserves the right to schedule grievance meetings during non-working hours. The Company and the Stewards will treat each other with mutual respect.

A. Shop Stewards will be certified by the Union as having completed a course of study concerning the duties and responsibilities of a Shop Steward under this agreement. Said certificate will be sent to the Company. In order to be recognized as a Shop Steward, the Union shall notify the Company of the name of the elected or certified Shop Stewards.

B. Shop Stewards shall not interfere with the Company's direction of the workforce or with its customers. Shop Stewards must not leave his or her assigned work area for Union business without prior permission from his/her Store Manager or highest management authority present in the store. Shop Stewards must also receive permission from the Store Manager or highest management authority present in the store of any store he/she wishes to enter. Such permission will not be unreasonably withheld.

2.15 Voluntary Political Deduction. The Employer agrees to honor voluntary political contribution deduction authorizations from its employees, in the following form:

I hereby authorize the Employer to deduct from my pay the sum of \$\_\_\_\_ per month and to forward that amount to the UNITE HERE TIP Campaign Committee. This authorization is signed voluntarily and with the understanding that the UNITE HERE TIP Campaign Committee will use this deduction to make political contributions and expenditures in connection with Federal elections. I am aware that this deduction is completely and entirely voluntary and I can refuse or revoke this deduction without reprisal. This authorization may be revoked by mailing notices of revocation to the Treasurer, UNITE HERE TIP Campaign Committee, at 275 Seventh Ave. New York, NY 10001, and to the Employer.

The political contribution deduction shall be made once each month during which an employee who has performed compensated service has in effect a voluntarily executed political contribution deduction authorization. The money shall be remitted within thirty (30) days after the last day of the preceding month to the UNITE HERE TIP Campaign Committee, at 275 Seventh Ave., New York, NY 10001, accompanied by a form stating the name and Social Security number of each employee for whom a deduction has been made, and the amount deducted. A copy of said form shall be sent to UNITE HERE Local 49, 1796 Tribute Rd., Suite 200, Sacramento, CA 95815.

2.16 The Employer shall provide the Union with a bulletin board near the timeclock for posting of notices and other material by the Union, which shall not disparage the Employer or supervisors or managers.

2.17 No employee shall be disciplined or discharged for lawful union activity.

2.18 The Union shall hold the Employer harmless on account of any liability, claim, suit or dispute arising out of the collection of moneys under this Article -including the reasonable cost of any defense made necessary by any such liability, claim, suit, or dispute. If an Employer has agreed to the deduction of dues pursuant to this Article and fails to collect or pay over such dues pursuant to this Article, the Employer shall be liable for regular dues and initiation fees which the Union loses by reason of the Employer's failure. This provision does not affect the obligations of the employees under this Article.

### ARTICLE 3 - MANAGEMENT'S RIGHTS

3.1 Management prerogatives and the exercise thereof shall be unqualified, and shall remain exclusively in the Employer and shall include, without limitation, all matters not covered by this Agreement as well as matters covered by this Agreement, to the extent that the latter are not limited or modified by the terms and conditions hereof.

3.2 It is further agreed that the following enumeration of management rights shall be deemed to include other rights not herein enumerated but shall be deemed representative and characteristic of the customary and usual rights which are retained by the Employer the right to hire, discipline or discharge for cause, lay off, transfer, classify, assign, or promote, employees; to determine or change the starting and quitting time and number of hours worked; to promulgate working rules and regulations; to establish new job classifications; the right to determine the products to be produced and sold, the location or relocation of facilities, and the processes and means of work; the right to establish conduct and safety regulations, schedules and technological changes; and to carry out the ordinary and customary functions of management whether or not possessed or exercised by the Company prior to the execution of this Agreement. It is understood that vendors who stock their own merchandise on the shelves are not subcontractors and arrangements between Pacific Gateway Concessions and such vendors do not constitute subcontracting.

3.3 The Employer may freely initiate and discontinue experimental programs, not to exceed one year in duration, as incentives or as positive reinforcement for employees, including but not limited to programs in the areas of attendance or recruiting, provided employees are notified in advance that it is a temporary experimental program, and provided it does not conflict with the provisions of this Agreement. The Employer shall notify the Union of any such experimental program. Upon request, the Employer shall discuss the program with the Union.

3.4 New Job Classifications

In the event the Company establishes a new job classification, it shall notify the Union and will meet with the Union to discuss the appropriate rate of pay. In the event of a disagreement as to the rate of pay, the union may file a grievance and proceed to arbitration.

ARTICLE 4 – WAGES

4.1 Wage Rates:

- A. Employees shall receive wages as set forth in Appendix A.
- B. The scales of wages in the Agreement are minimum scales and do not prohibit a superior Employee from receiving a higher salary.
- C. Any eligible Employee receiving premium pay above the minimum contract rates shall be given the across the board increases listed in Appendix “A.”

4.2 New Classifications:

The Employer may establish new classifications with different duties than are covered by existing classifications. The Employer must bargain with the Union to establish a reasonable wage rate for same. If the Employer and the Union are unable to agree on a reasonable wage rate



within ten (10) days of the Employer's establishment of the new classification, then the Employer may designate a reasonable wage rate in its sole discretion. The Union may grieve this issue thereafter if it so chooses providing it does so within ten (10) calendar days of the Employer providing the Union with written notification of same, or else such grievance is waived for all purposes.

#### 4.3 Cross Classification Work:

An employee required to replace another employee in a higher paid classification shall receive the rate under this Agreement for the higher paid classification for all hours worked in the higher paid classification, provided the employee works one (1) or more hours in the higher paid classification. An employee required to replace another employee in a lower paid classification shall receive the same rate of pay as that employee would regularly receive in his or her usual classification for all hours worked in the lower paid classification.

#### 4.4 Pay Days and Direct Deposit:

Employees shall be paid on a bi-weekly basis on Friday before the end of their regular shift, unless applicable law requires otherwise. As long as it is permitted by law, employees may participate in the Employer's direct deposit system. In such cases, employees will be provided with access to a pay stub.

#### 4.5 Maintenance of Wages and Benefits:

No employee shall have his/her wages, benefits or other working conditions enjoyed by the employee reduced as a result of the signing of this Agreement.

### ARTICLE 5 - HOURS OF WORK AND OVERTIME

5.1 The minimum regular work day for regular full-time employees in the bargaining unit shall consist of eight (8) hours per day. The regular work week shall consist of forty (40) hours and will be from Monday through Sunday. This provision shall not be construed as a guaranteed work day or work week.

5.2 Time and one-half shall be paid for all hours or parts of hours actually worked in excess of eight (8) hours in any one day and in excess of forty (40) hours in a week. All Sales Associates shall be paid time and one half for all hours or parts of hours worked after midnight until 5:00 a.m. If the hours or parts of hours worked after midnight and before 5 a.m. also exceed 8 hours in a day or forty hours in a week, the hours shall be paid at double time.

5.3 There shall be no pyramiding of overtime.

5.4 Employees' work schedules shall be posted seven (7) days in advance of any scheduled

work days, excepting in cases of emergency, Acts of God, or strikes.

5.5 An Employee's schedule, including starting times, shall not be changed by the Employer more than one (1) hour without 48 hours' notice to the Employee affected, except in case of emergency or by mutual consent. Unanticipated temporary openings, e.g. to cover unscheduled absences, delayed flights or other unanticipated temporary staffing requirements, shall first be filled on the basis of Classification Seniority with qualified volunteer Employees presently working or scheduled to be working in the Unit at the time of the temporary opening, except that the Employer need not assign a volunteer who shall earn overtime. If the temporary opening cannot be filled with such volunteers, then the Employer may assign the work to the least senior qualified Employee, on the basis of Classification Seniority.

5.6 An employee who is scheduled for an eight (8) hour day, who reports to work without having been notified not to report, shall in the event eight (8) hours of work is not available, be compensated by payment of a minimum of four hours pay at their regular straight time rate. This provision shall not be applicable when failure to provide work is due to causes or conditions beyond the control of the Company, or when an employee volunteers to go home early.

5.7 The Employer will use its best efforts to schedule Sales Associates with two consecutive days off per week.

5.8 In the event an employee has less than ten (10) hours between the end of one shift and the starting time of their next shift, the Employer shall pay the employee time and a half (1 1/2) for all hours worked before ten (10) hours have passed since the previous shift ending time. Hours worked after the ten (10) hours have passed shall be paid at straight time. This provision shall not apply if the employee volunteers to return with less than ten (10) hours between the end of one shift and starting time of the next shift.

5.9 The regular eight (8) hour work day shall include two paid fifteen minute breaks. In addition, the Employee will be scheduled for an additional one-half (1/2) hour unpaid lunch, for a total of eight and one half (8 1/2) hours. Once per shift, employees may purchase food and drink items that are to be consumed during their shift at twenty-five percent (25%) of the amount charged to customers.

5.10 An employee shorted of eight (8) hours or more on a paycheck will be paid within seventy-two (72) hours of notifying their manager.

5.11 When the Employer holds a mandatory meeting outside the Employees' shift, such Employees who are required and who do attend shall be paid a minimum of four (4) hours' pay at their straight time contract rate, unless the meeting is held within one (1) hour of the beginning or end of the Employees' shift, in which event the Employees shall be paid for all time spent in the meeting and up to one (1) hour wait time.

## ARTICLE 6 – VACATIONS

6.1 Eligibility for All Regular Full-Time Sales Associates. Each regular full-time employee who is on the Employer's active payroll shall be entitled to a vacation as set forth below on the basis of the number of hours he/she is regularly scheduled to work per day at his/her regular straight-time rate.

<u>Continuous Service 30 hours and Above</u>	<u>Paid Vacation</u>
In the fiscal year the Sales Associate Reaches One (1) year of service	5 work days
In the fiscal year the Sales Associate Reaches Two (2) to Four (4) years of service	10 work days max
In the fiscal year the Sales Associate Reaches Five (5) to nine (9) years of service	15 work days max
In the fiscal year the Sales Associate Reaches Ten plus (10+) years of service	20 work days max

6.2 Vacations may be taken as earned except that no vacation may be taken until a person has worked for at least six (6) months. Vacations are cumulative and can be carried over from year to year, up to a maximum of five (5) vacation days. If a Sales Associate is unable to use his/her vacation, greater than one year's accrual, before the year ends, because the Company has denied his/her request, the employee may carry over the additional unused vacation provided:

- A. Employee has submitted a timely request for vacation, and
- B. Employer has denied the vacation request due to business necessity and agrees that it cannot be scheduled prior to the employee's anniversary.

6.3 Employees are required to give advance notice to their Store Managers of their vacation request. In no instance shall the advance notice be less than three (3) weeks unless it is a bona fide emergency. The number of employees on vacation at one time shall be at the discretion of the Employer. Where too many employees request the same vacation period, seniority shall govern where neither employee has yet received approval for the requested vacation date(s).

6.4 No vacation shall be granted that is less than one (1) work day.

6.5 Employees who are laid off due to lack of work shall be paid all earned vacation time up to the day of layoff. Employees who are terminated or who resign shall be entitled to all unused accumulated vacation.

## ARTICLE 7 - LEAVES OF ABSENCE

7.1 Personal Leave. Upon written request made at least two (2) weeks in advance, except in the event of a bona fide emergency, employees who have completed at least one year of service with the Employer may request a personal leave of absence for a period of up to thirty (30) days without pay and without loss of seniority. Personal leave may be granted for a compelling reason at the Company's discretion provided the leave does not seriously disrupt business operations. Unless such leave is covered by the Family and Medical Leave Act or applicable state law, the Employer will return employees to his/her previous position if business requirements permit. In no case shall a personal leave of absence be granted for purposes of working at an alternate job, except pursuant to Article 25, Union Leave.

7.2 Military Leave. The Employer will comply with applicable state and federal laws regarding military leave.

7.3 Maternity Leave. The Employer will comply with applicable state and federal laws regarding maternity leave.

7.4 Family and Medical Leave Act Leave. To be eligible for leave under the Family and Medical Leave Act, an employee must have been employed for at least twelve (12) months and have worked at least 1,250 hours.

A. An eligible employee may take FMLA leave of up to twelve (12) weeks per rolling calendar year for any of three (3) reasons: (1) to care for a newborn child or child newly placed in employee's custody through adoption or foster care or for a period of up to one (1) year after such birth or placement; (2) to care for the employee's spouse, domestic partner, child or parent who has a serious health condition; (3) due to an employee's own serious health condition.

B. An employee must make every effort to schedule the medical treatment of the employee, spouse, domestic partner, child or parent so as not to unduly disrupt the operations of the Employer.

C. The Employer will require initial certification by the health-care provider of the serious health condition of the employee, spouse, domestic partner, parent or child before granting any leave of absence. In the event the employee wishes to request an extension to any leave, such request, accompanied by a re-certification by the health-care provider, must be submitted prior to the end of the approved leave, it being understood that the Employer is not required to approve any leave or extension that results in leave

exceeding twelve (12) weeks in a rolling calendar year. Proper medical certification must be submitted within 15 calendar days from the date the employee requests an initial leave or a leave extension.

D. Intermittent leave to care for a spouse, domestic partner, child, parent or for the employee's own serious health condition or a reduced-leave schedule is allowed only when medically necessary.

E. Substitution of Paid Leave.

(1) The Employer requires all employees to use any accrued personal leave or family leave for any part of the twelve (12) week leave before the birth of a child or the placement of a child with the employee for adoption or foster care;

(2) The Company requires all employees to use all accrued personal leave, family leave, medical or sick leave for any part of the twelve (12) week leave to care for a spouse, child or parent with a serious medical condition or because of the serious health condition of the employee. Employees are allowed to use sick leave to care for ill family members in accordance with California family and medical leave law.

(3) For leaves of less than six (6) weeks, employees have the option of using accrued vacation time for part of the leave. However, for leaves of more than six (6) weeks, employees are required to use their accrued vacation time for part of the leave.

F. There are no accruals of vacation, sick or personal leave, provided for employees during the leave.

G. Return from Leave.

(1) Upon timely return from leave, the employee will be returned to his/her prior position, or an equivalent position, with equivalent benefits, pay and other terms and conditions, subject to the conditions below.

(a) An employee who has taken leave for his/her own serious health condition is required to submit a certification from his/her health-care provider certifying that the employee is able to resume his/her position before returning to work.

H. Failure to Return from Leave. Once the leave expires and the employee does not return to work, the Company has no obligation to continue paying health insurance benefit premiums on behalf of the employee and has no obligation to restore the person to



his/her job or an equivalent position.

I. Additional Employee Responsibilities. It is the employee's sole responsibility to ensure that all certification and required forms are submitted to the appropriate person in a timely manner.

#### 7.5 Jury Duty.

Eligibility: Full Time and part time employees who have completed their probationary period are eligible for jury duty pay.

Duration and Conditions: The Company will compensate employees their basic earnings (exclusive of overtime) for the first five (5) days of jury service. To qualify for compensation for jury duty, the jury duty must occur on a day on which the employee was otherwise scheduled to work for the Company.

The Company requires employees summoned for jury duty to:

- A. Notify their Supervisor within five working days of receipt of the jury summons;
- B. Provide a receipt from the clerk of the court showing the time served; and
- C. Report for work during any business hours when their presence as a juror is not required.

When summoned to serve on a jury, employees should immediately notify their Supervisor so that work schedules and assignments can be adjusted accordingly. Employees should also remind their Supervisor the day before they are scheduled to begin serving. The Company has the right to request an employee to postpone jury duty service.

Mandatory Jury Duty: This provision applies only to mandatory jury duty of any kind, and not to voluntary jury duty or other court appearances as a party or witness, whether voluntary subpoenaed.

### ARTICLE 8 – SENIORITY

8.1 Preamble. The Employer and the Union agree that the purpose of seniority is to accord consideration to senior employees in recognition of their length of service. Seniority is

further intended to provide maximum work opportunities to senior employees.

8.2 Definition: Classification seniority is an employee's unbroken length of continuous service with the Employer within a job classification within the bargaining unit, measured in years, months and days from his most recent date of hire into the bargaining unit. When two or more employees are hired on the same day in the same classification, their seniority shall be determined by the highest first digit of their Social Security number, and if need be in the case of a tie, the second and third digits, etc.

Company seniority shall mean continuous length of service with the Employer or its affiliates. Company Seniority is used to determine eligibility for paid time off and bidding for job vacancies after classification seniority bidding.

8.3 Layoff and Recall. When it is necessary to layoff employees, those employees with the least amount of seniority in the affected classification shall be laid off first. When the workforce is increased in an affected classification, employees on layoff shall be recalled in reverse order of layoff beginning with the most senior laid off employee in the classification.

8.4 Scheduling. Whenever there is a major schedule change, it is the responsibility and right of management to create and post the work schedules required. A work schedule so posted must be accepted as posted, i.e. with hours of work and days off as posted, and will first be awarded by classification seniority. If there is no qualified employee who has submitted a bid, then the Employer may assign the schedule or fill the position by hiring from outside the bargaining unit.

All job openings must be posted for a period of no less than seven (7) calendar days in all outlets. Job postings shall list the scheduled days and hours of work for this opening.

When vacancies arise which the Employer intends to fill, the Employer agrees to post a notice of such vacancy for at least five (5) days. The Employer retains the right to assign an Employee temporarily at its discretion until the vacancy is filled pursuant to this Section. The Employer shall give preference to existing Employees who may apply prior to the consideration of any other applicants as follows:

- A. First, Employees within the same job classification in order of Classification Seniority;
- B. Second, recall from Layoff;
- C. Third, Employees from other job classifications whom the Employer determines are qualified and have the ability to perform the job. If the Employer determines that more than one such Employee is qualified, then Company Seniority shall be the determining factor. In the event of a dispute as to the qualifications or ability of an

Employee to perform the job where the Employee has previously worked in the job classification, the Union may file a grievance.

D. Fourth, from any other source at the Employer's discretion.

If a qualified senior employee bids from within the bargaining unit, the Employer shall award the bid to that employee within fourteen (14) calendar days of the initial job posting date.

The Employer shall notify the Union monthly of all successful bidders.

Nothing contained in this section shall be construed to interfere with the Employer's right to establish the hours and days of operation and the number of employees to be scheduled.

8.5 Break in Seniority. Seniority will be forfeited when any of the following events occur:

A. Resignation or discharge.

B. Failure to report to work immediately following a physician's release from illness or injury, or failure to report to work at the expiration of an authorized leave of absence, unless excused by the Employer.

C. Failure to report to work following a recall from layoff within three working days after being notified by certified mail, return receipt requested, at the last address in the Company's records.

D. Failure to inform the Employer while on layoff or authorized leave of a change of address.

E. Absent for two consecutive days without notice to the Employer, except in the event where an employee is unable to give such notice and proves to the Employer's satisfaction that circumstances or events were beyond the employee's control.

F. Falsification of the reasons for a leave of absence or is employed by another employer during a leave of absence, unless on an approved leave to work for the Union.

G. Is laid off for a period of twelve (12) months or a period exceeding the employee's continuous service, whichever is less, unless the layoff is for construction or remodeling of a store which can continue until construction or remodeling is complete.

H. Is absent for any other reason, except for approved leaves, for a period that

exceeds three (3) months.

I. Failure to report to work within ten (10) calendar days following a decision of an arbitrator reinstating an employee who was discharged.

8.6 Once an employee completes his ninety day probationary period, his seniority shall be retroactive to his most recent date of hire with the Employer.

8.7 Upon request, the Employer shall furnish the Union with a current seniority list every six months.

## ARTICLE 9 - GRIEVANCE PROCEDURE

9.1 A Grievance is hereby defined as any claim or dispute between the Employer and the Union or between the Employer and any employee which involve interpretation, application or enforcement of this Agreement disputed between the parties. Employees awaiting the outcome of a grievance or arbitration are to continue to follow the rules and instructions of the Employer in the interim.

9.2 All grievances must be filed and processed in accordance with the following exclusive procedure.

Step One (Optional). The employee or Union that has a grievance shall discuss his Grievances with his supervisor or the Manager within ten (10) days of the occurrence or of the time the Grievant should have reasonably had knowledge of the occurrence which gave rise to the grievance. The Grievant has the right to request the presence of a Union representative at this Step One meeting.

Step Two. If the Grievance is not settled in the Step One meeting, the grievance may be appealed by the employee or the Union to Step Two by filing a written grievance with the General Manager or his designated representative within ten days of the Step One meeting, or the incident or knowledge of the incident giving rise to the grievance if Step One is bypassed. Each written Grievance must set forth the facts giving rise to it; the Section or Sections of the Agreement alleged to have been violated; and the remedy or correction desired. Within ten days after the filing of the written grievance, the General Manager or his designated representative will meet with the Union in an attempt to settle the grievance. The Company shall submit a written response to the grievance within ten days of the Step Two meeting. All termination grievances and disputes of contract language shall begin at Step Two.

Step Three. If the Grievance is not settled in the Step Two meeting, the grievance may be appealed by the employee or the Union to Step Three within ten (10) days of the conclusion of Step Two. The Regional Human Resources manager shall participate in Step Three. The parties shall strive to conduct the Step Three meeting within ten (10) days of the grievance

being submitted to Step Three. The Regional Human Resources manager shall issue his/her decision regarding the grievance within five (5) days of the Step Three meeting. The parties may bypass Step Three with mutual agreement.

9.3 Mediation. In the event a resolution cannot be reached at Step Three, or at Step Two if the parties mutually agree to bypass Step Three, it may be submitted to one unpaid representative designated by either the Federal or State Mediation and Conciliation Service for nonbinding mediation. The parties will strive to conduct the mediation quickly. If the aggrieved party fails to notify the other of its intention to pursue said grievance to arbitration within fifteen days after the mediation hearing, then the grievance shall be considered abandoned.

9.4 Time Limits. If the Union does not file the written grievance within the time limits set forth in Step Two, the grievance shall be considered settled on the basis of the last disposition by the responding party. The time limits specified in this Article may be extended by mutual written agreement between the Employer and the Union. For purposes of grievances and Arbitrations, "days" shall be exclusive of Saturdays, Sundays and holidays.

#### ARTICLE 10 – ARBITRATION

10.1 In the event the Union desires to pursue or grieve to arbitration they shall so notify the Employer within fifteen days from receipt of the written response after the Step Two meeting.

10.2 The parties shall attempt to select an arbitrator within ten (10) days of the Union's notification to the Employer of its intent to arbitrate. In the event the parties are unable to agree upon an arbitrator, the parties shall request a list of seven Northern California arbitrators from the Federal Mediation and Conciliation Service. The parties will alternately strike names until only one name remains, and that person will be selected as the arbitrator.

10.3 The arbitration shall proceed in accordance with the current rules of the Federal Mediation and Conciliation Services or in accordance with any rules agreed between the Company and the Union.

10.4 Compensation and expenses of the neutral arbitrator including any cost of a transcript and/or translator shall be borne equally by the Employer and the Union.

10.4 All disciplinary grievances shall be submitted to expedited arbitration unless the parties agree otherwise. There shall be no briefs or transcripts. Where possible, the arbitrator shall render a decision in writing within seven days of the conclusion of the hearing.

10.5 Contract interpretation cases (non-discipline related) may be submitted to expedited arbitration by mutual agreement of the parties.



10.6 Except for expedited arbitrations, where possible, the decision of the arbitrator shall be issued within thirty days of the hearing or submission of post-hearing briefs, and such briefs must be filed with the arbitrator within twenty-one days of the hearing.

10.7 Arbitrators shall have no authority to amend, alter, add to, or subtract from the terms of the Agreement. The scale of wages established by this Agreement shall not be changed by any arbitration decision.

10.8 All arbitration decisions shall be final and binding on the parties.

10.9 Retroactivity. Awards or settlement of grievances shall in no event be made retroactive more than sixty (60) days beyond the date on which the grievance was first presented in Step One of the Grievance Procedure except if the grievance concerns an error in the employee's rate of pay or benefit levels, the proper rate or benefit shall be applied retroactively to the date the error occurred. All claims for back wages shall be limited to the amount agreed to by the Company and the Union, or ordered by the Arbitrator, as the case may be, less any unemployment compensation or wages or remuneration that the aggrieved employees may have received from any source during the period for which back pay is claimed.

#### ARTICLE 11 - NON-DISCRIMINATION

11.1 The Employer and the Union agree that they will fully comply with all applicable laws and regulations regarding discrimination against any employee or applicant for employment because of such person's race, color, creed, national origin, ancestry, age, sex, sexual orientation, disability, or any other protected class.

11.2 It is further agreed that with respect to the Americans With Disabilities Act (ADA) should there be a conflict between any provision of this Agreement and compliance with ADA, particularly essential job functions, physical requirements and the reasonable accommodation required by the ADA such as modified work schedules, reassignment, job restructuring, etc. the ADA requirements shall prevail. However, the Employer shall meet its ADA requirements in a manner as to create the least possible conflict with the terms of this Agreement.

#### ARTICLE 12 – IMMIGRATION

12.1. To the extent consistent with applicable law, no Employee covered by this Agreement shall suffer any loss of seniority, compensation or benefits due to any changes in the Employees' name or social security number, provided that the new social security number is valid and the Employee is authorized to work in the United States.

12.2. The Employer agrees to provide to the Union copies of the regular monthly reports reflecting the names of Employees whose work authorizations are known to be expiring in the next thirty (30) days. The Union shall hold the Employer harmless on account of any liability, claim, suit or dispute arising out of the provision of information relating to Employee work authorization, including the reasonable cost of any defense made necessary by any such liability, claim, suit or dispute. Nothing contained in this subsection limits the Employer's ability to comply with IRCA or other government directives.

12.3. In the event an Employee, who has completed at least one (1) year of service, is terminated due to a lack of proper work authorization due to any changes in the Employee's name or social security number, the Employee shall be reinstated as soon as practicable to his or her former position without a loss in seniority, upon the Employee's providing proper work authorization within six (6) months of the date of termination.

12.4. On the day an Employee is sworn in as a United States citizen, the Employee, upon giving reasonable prior notice, shall be excused from work and paid for that day at the Employee's regular rate of pay.

#### ARTICLE 13 – UNIFORMS

13.1 In order to present an orderly and uniform appearance to our customers, maintain the Employer's public image, and to avoid controversies among customers and employees which may affect business, employees who work in the stores are prohibited from wearing buttons of any type on their clothing or uniforms. The only exceptions to this rule are buttons advertising Company sponsored selling promotions, Company sanctioned and supported charities or a Union button which measures no more than one and one-half (1 ½) inch in diameter

13.2 Uniform shirts, sweaters and/or vests required by the Employer shall be furnished by the Employer. A minimum of three shirts shall be furnished for all employees. In the event vests or sweaters are required, each Sales Associate shall be furnished with one.

13.3 Required trousers shall be black or dark navy and shall be ordinary, basic street clothing, which can be worn as street clothes outside of work. Wearing of jeans is not permitted.

#### ARTICLE 14 – SUCCESSORS

14.1. Change of Ownership:

In the event that the Employer sells or assigns its business, or in the event that there is a change in the form of ownership, the Employer shall notify the Union as soon as practical in writing and shall make all payments which are then due or which shall be due as of the date of transfer of the business for wages, vacation and/or health and welfare for Employees. The

Employer shall use its best efforts to secure a meeting between the Union and the new owner.

14.2. Binding on Successors:

This Agreement shall be binding upon the heirs, successors and assigns of parties hereto. No provisions, terms or obligations herein contained shall be affected, altered or changed in any respect whatsoever by the consolidation, merger, transfer or assignment of the Employer's interest, or any part thereof, in any establishment covered by this Agreement.

ARTICLE 15 - LIMITATION OF FUND OF CLAIM

15.1 In no event shall the Employer be liable to the employee in excess of sixty (60) days prior to the date of filing a claim by an employee for any claims which are due him from the Employer, including adjustment of wages, hours or any other benefit, except for the following: Health & Welfare and Pension contributions, increases as called for by the contract which are not implemented by the Employer, and vacations as noted below. In the case of increases not given, the right to retroactive payment would commence from the date of the increase.

15.2 Vacation claims shall be filed by the employee not later than sixty (60) days following receipt of improper vacation time or pay. Claims not filed during this sixty (60) day period are deemed waived.

15.3 In cases of promotion, the pay would be retroactive to the date of promotion or the date of actually doing the new job or duties.

ARTICLE 16 - HOLIDAYS AND PERSONAL DAYS

16.1 New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day shall be paid holidays.

16.2 Each regular full-time employee not scheduled to work on any such holiday shall be paid the number of hours he/she is regularly scheduled to work at his/her regular straight-time rate of pay provided that (a) such employee has satisfactorily completed his/her probationary period preceding the holiday involved; and (b) such employee works his/her entire scheduled work day immediately preceding the holiday and his/her entire scheduled work day immediately following the holiday, except for absence approved by the Employer.

16.3 An employee working on New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day or Christmas Day shall receive time and one-half of their regular hourly rate for all hours actually worked on these days. It is the intent of this section to pay premium pay only for hours worked on the above holidays and not for hours worked on the day the

holiday is celebrated.

16.4 An employee who is scheduled to work on any holiday and who does not work shall receive no holiday pay, unless excused by the Employer.

16.5 Each regular full-time Sales Associate who is on the Employer's active payroll shall be entitled to two (2) floating holidays per year, based on the number of hours he/she is regularly scheduled to work per day at his/her regular straight-time rate.

16.6 Non-probationary employees shall receive a Floating Holiday on January 1 for use during the calendar year. Non-probationary employees shall receive an additional Floating Holiday on July 1 for use during the remainder of the calendar year. Employees shall receive one Floating Holiday upon completion of their probationary period.

16.7 Fifteen (15) days' advance written notice is required for use of a personal day. The number of employees who shall be allowed to take a personal day at one time shall be based upon the business needs of the Employer. Where too many employees request the same personal leave day, seniority shall govern.

16.8 Personal days may accrue to a maximum of two (2) days. No additional personal days will accrue until one or more are used.

16.9 Should the Employer deny a request for a Floating Holiday during the last two (2) months of the year, said Floating Holiday may be used during the first three (3) months of the following year.

#### ARTICLE 17 - HEALTH AND WELFARE FUND

17.1. Effective June 1, 2015 or as soon thereafter as administratively feasible, the Employer shall become a contributing Employer to the Sacramento Independent Hotel, Restaurant and Tavern Employees Welfare Plan (the "Plan") pursuant to this Article 16 and its subsections below. Coverage under the Employer's prior plan of Medical, Dental, Vision & Life Insurance currently in effect shall remain in effect through the date coverage commences under the Plan, and employees shall not suffer a lapse in coverage due to the transition to the Plan.

17.2. The Plan is hereby established. The details of the Trust Fund and the Declaration of Trust dated the 1<sup>st</sup> day of April 1954 and the 1<sup>st</sup> day of August 1954, as executed by the parties thereto is hereby made a part of this Agreement. The Fund shall be administered by the Employers and the Union through a Board of Trustees.

17.3. **Eligibility Requirements.** Through December 31, 2018, for an employee to be eligible

for coverage said employee must work eighty (80) hours or more per calendar month commencing with the calendar month immediately following the calendar month of the date of hire.

Commencing January 1, 2019, for an employee to be eligible for coverage said employee must work sixty (60) hours or more per calendar month commencing with the calendar month immediately following the calendar month of the date of hire. For all purposes under this Agreement, this is known as the “minimum required number of hours per calendar month” and such hours must be worked for the Employer under this Agreement.

**17.4. Contributions.** For each eligible employee, the Employer shall contribute during the term of this Agreement the following maximum sums per calendar month for Medical, Dental and Vision coverage:

Plan B rates:

6/1/15	\$434.00
1/1/16	\$471.00
1/1/17	\$512.00
1/1/18	\$563.00
1/1/19	\$619.00

The Trustees will determine the contributions for future years. The Employer agrees to pay the rates required by the Trustees to maintain the benefits provided herein, provided they are not in excess of the maximum rates set forth above. In the event the contribution rates are set for a lower amount than those listed above, the Employer savings in the Medical and Dental contributions will be used to increase non-tipped wage rates.

During the term of this Agreement, employees may choose an alternative plan to the Indemnity Plan by completing the necessary paperwork within 30 days of hire or during the annual open enrollment. Employees who select one of the alternative plans offered by the Trustees shall pay the difference between the premium for the higher alternative plan and the Employer’s contribution each month through payroll deduction.

It is the desire and intent of the contracting parties to seek to preserve a sound financial reserve in the Trust Fund to adequately meet the needs of the participants of the Fund. Should depletions of the reserves occur in excess of what can be recovered, then the Trustees will modify benefits temporarily until such time as financially corrective measures can be taken.

**17.5.** Contributions to the Fund for work performed shall be paid not later than the tenth (10<sup>th</sup>) day of the month following that in which such work is performed. Contributions to be made to the Administrator of the Fund on forms furnished to the Employer by the Fund showing name of the employee, social security account number of new employees, number of hours worked, the amount of contributions due, and such other information as required by the Trustees.

**17.6.** It is hereby agreed that the Employer shall permit a confidential audit of payroll and all



pertinent records by an authorized representative of the Medical Trust Fund to verify that all required contributions have been made to the Fund, in accordance with the Trust Agreements.

17.7. The Trustees of the Sacramento Independent Hotel, Restaurant and Tavern Employees Welfare Plan shall not be obligated to, and are not authorized to accept any contributions from an Employer under this section of the Agreement unless the said Employer is currently a party to or bound by a current Agreement with UNITE HERE Local 49.

17.8. The Employer agrees to pay a minimum of two (2) months contributions per calendar year for Medical and Dental benefits for any qualified employee who is off work because of medical reasons. A qualified employee shall be deemed an employee who has been qualified under this section for twelve (12) months continuous service for this Employer.

17.9. The schedule of benefits to be provided for each eligible employee and each covered dependent shall be determined by the Board of Trustees of said Fund.

17.10. The Employer agrees to participate in an employee co-payment program for dependent coverage provided by the Trust Funds. Employees selecting dependent coverage must pay the difference between the dependent coverage premium and the Employer's contribution each month through payroll deduction. The benefits provided shall be determined by the Trust Fund. The co-payments must be transmitted to the Trust Fund concurrent with the payments for the employee's coverage in order to maintain coverage. All of the conditions and penalties apply to co-payment coverage that apply to employee coverage as stated in this section and the Contributions and Collections Section, as well as the decision of the Trustees of that Trust Fund.

17.11. There will be an annual open enrollment period, normally during the month of November. Employees shall pay by payroll deduction, and the Employer shall remit to the Fund each month its monthly contributions, the difference between the amount of monthly contributions paid by the Employer, as shown above, and the actual costs of providing the benefits of the Plans, as determined by the Trustees. For this purpose, the Employer shall provide for automatic and continuing payroll deduction. All employees participating in the Plan shall by this Agreement be deemed to have granted the Employer authorization to withhold from their wages the amounts necessary to maintain coverage of Trust provided Plans.

17.12. These deductions will continue for one (1) full year for those originally eligible. The deductions will be made only in months that the employee has 60 hours of work or pay and for which the Employer makes a contribution to the Welfare Fund. In case of marriage, births, adoptions, etc., new dependents may be added within 30 days.

17.13. Those employees who do not sign up their dependents when originally eligible will have to provide evidence of insurability, at their own expense, if they wish to enroll the dependent(s) at a subsequent annual open enrollment period.

17.14. The Employer will supply to the Trust Fund Administrative office a copy of each payroll

deduction form signed by an employee.

#### ARTICLE 18 – CONTRIBUTIONS AND COLLECTIONS

18.1. Failure to pay contributions required under Article 17 of this Agreement when due may result in impairment of or loss of benefits to the Employees and result in additional costs in the administration of the Trust Fund. It is impractical and extremely difficult to fix the actual damage resulting from failure to pay the contribution in the manner and at the times provided. The contributions are due on the 10th of the month. Consequently, if the Employer fails to make such contributions by the 20th of the month in which such contributions are payable, it shall pay an additional sum equal to ten percent (10%) of the contributions due and payable in such month or \$50.00, whichever is greater, as liquidated damages for each such late payment. In addition, the Employer shall pay interest in the amount of one and one-half percent (1½ %) per month (eighteen percent (18%) annual interest) on the unpaid balance. The Parties hereto authorize the Sacramento Independent Hotel, Restaurant and Tavern Employees Welfare Plan to waive or compromise the liquidated damages when, in its judgment, such waiver or compromise is deemed just and proper.

18.2. The Parties agree to abide by any and all action taken by the Trustees of the Health and Welfare Plan or a successor Trust agreed to by the parties, during the term of this Agreement.

#### ARTICLE 19 - STRIKES AND LOCKOUTS

19.1 Employees covered by this Agreement shall not engage in any strikes, slowdowns, sitdowns, sympathy strikes, work stoppages or picketing. Neither the employees covered by this Agreement, the Union, nor any officers, agents, or other representatives of the Union shall, directly or indirectly, authorize, assist, encourage, condone, ratify, lend support, or in any way participate in any strike, slowdown, sympathy strike, work stoppage, sitdown or picketing during the life of this Agreement. Upon learning of any such prohibited action, the Union shall make every reasonable effort, including the issuance of orders, verbal and written, to the employees of their obligation to return to work.

19.2 The Company agrees not to engage in any lockout during the terms of this Agreement. Complete or partial reduction of operations for economic reasons shall not be considered a lockout.

19.3 Employees participating in any action described above will be subject to progressive discipline.

19.4 The observance of any bona fide picket line against the Employer by any Employee shall not be considered a violation of this Agreement. A bona fide picket line shall be defined as one which has been sanctioned by the Central Labor Council of Sacramento acting within the authority granted by its charter.

#### ARTICLE 20 - SICK PAY BENEFIT

20.1 "Sick leave" is defined as an absence of an employee from work by reason of illness or accident which is not work connected or is not compensable under the California Worker's Compensation laws.

20.2 Full-time employees accrue sick leave at a rate of five-twelfths (5/12) of a day per month. Sick leave is paid based upon the average number of hours worked per week.

20.3 Earned sick leave is paid starting on the first full scheduled day that the employee is out due to illness or injury.

20.4 To be eligible for benefits under this Article, an employee who is absent must notify his/her manager or the manager's designee, not later than two (2) hours prior to the start of their regularly scheduled work day. Employees must personally notify their manager each additional day that they are out sick. Employees may take sick leave in full-day or half-day increments.

20.5 The Employer reserves the right to require a doctor's certificate in order for the employee to receive sick leave.

#### ARTICLE 21 - FUNERAL LEAVE

21.1 In the event of the death of an employee's parent, parent-in-law, grandparents, spouse, domestic partner, sister, brother, child, stepchild, or grandchild, an employee who has completed his/her probationary period will be allowed up to five (5) regularly scheduled days off with pay at his/her regular straight-time rate based upon the hours which the employee was actually scheduled to work, so long as one of those days is the day of the funeral and provided further that he/she attend the funeral.

21.2 There will be no duplication of payment that the employee may otherwise receive under this Agreement. Proof of death and verification of relationship may be required.

#### ARTICLE 22 – DISCIPLINE

22.1 Probationary Employees. During his first ninety calendar days of employment with the Employer, an employee shall be considered probationary and may be disciplined or discharged at the Employer's discretion without recourse to the Grievance and Arbitration provisions of this

Agreement. Such discipline or discharge shall not be considered a breach of this Agreement. If an employee is absent for any reason during his probationary period, the number of days he has been absent shall be added to the ninety (90) days eligibility period and he shall not complete his probationary period until an equivalent amount of days has been worked.

22.2 The Employer may only discipline for reasons of just cause.

22.3 Written disciplinary notices issued to the employees must specify the reason for which the notice is issued. Any such notices must be issued to employees within five days (excluding Saturday, Sunday, and holidays) of the event or action for which the disciplinary notice is issued, or within five days (excluding Saturday, Sunday, and holidays) of knowledge of the event or action.

22.4 A legible copy of any written disciplinary notice shall be given to the employee at the time of issuance and within seventy-two (72) hours of distribution to employee, it should be mailed, faxed or sent electronically to the Union.

22.5 An employee may request the attendance of a Union Representative or Shop Steward at an investigatory interview where there is a reasonable expectation that disciplinary action might result, with the understanding that the Employer is entitled to conduct such interviews and hear responses directly from its employees without interference from said Union representative. It is understood that the Union representative has the right to carry out his or her representational function.

22.6 No employee shall be placed in a "suspended pending investigation" status for longer than five days (excluding Saturday, Sunday and holidays). Within this period the Employer shall either take disciplinary action against or reinstate the employee. If the Employer is unable to contact a terminated employee, the employee may be notified by certified or package-tracked mail after the completion of the suspension pending investigation.

22.7 If an employee is required to attend a meeting with management for disciplinary purposes, such meeting will be held during the employee's working time.

22.8 Written disciplinary warnings shall be removed from an employee's file after twelve (12) months if there has not been additional discipline on the same subject except for the following; if an employee receives a suspension and/or a final warning, these documents will not be removed.

## ARTICLE 23 - SHOPPER SERVICES

23.1 The Union recognizes that the Employer employs Shopping investigators or "shoppers" in its operations. The Company's purpose for using shoppers is to ensure quality of customer service, to ensure that proper procedure is being followed in cash handling, and to ensure the

integrity of cash transactions. The Union and Employer agree on the following rules for the Employers use of shoppers and shoppers' reports:

23.2 Employees shall be informed during their training of the Employer's use of shoppers. Employees shall also be informed of these rules with regard to the use of shoppers and of shoppers' reports.

23.3 Shopping investigators employed by the Employer shall be licensed private investigators as required by California Labor Code Section 2930 and California Business and Professions Code Sections 7521, 7522 and 7523.

23.4 Shoppers shall provide factual reports of their observations of customer service situations and cash handling transactions. Shoppers shall not use methods which would intimidate or confuse Employees. The Employer shall not employ shopping services which receive an additional fee for generating negative reports, or pay their Employees a fee or bonus for negative reports.

23.5 Shopper reports which indicate that an Employee provided good service shall be retained in that Employee's personnel file. Employees shall be shown copies of any shopper reports which are retained in the Employee's personnel file.

23.6 When shopper reports are used for disciplinary purposes, the Employer shall provide copies of the reports to the Employee. In cases of suspension or discharge, the Employer shall supply a copy of such report to the Union. The shopper report shall be provided at the time of the issuance of disciplinary notices based on shopper reports, as required by Section 2930 of the California Labor Code. Receipt of a copy of the report by the Employee or the Union does not constitute agreement with the contents of the report.

23.7 Any supporting documentation, such as cash register journal tapes, must be produced by the Employer upon request by the Union.

23.8 Management shall inform the Employee by no later than five (5) business days, exclusive of Saturdays, Sundays and holidays, from the date the Employer receives a shopper report that contains the shopper's observation of any irregularity that may result in disciplinary action.

23.9 The Employer agrees that, when and where possible, counseling and re-training are preferable to disciplinary action in correcting problems that arise in shopper reports.

23.10 Electronic Surveillance - The Employer is free to conduct any form of electronic surveillance of its premises that is permitted by law. This provision will include use of all forms of cameras provided that the Union and the Employees will be advised when and where such cameras may be used. The Union shall be permitted to review videotape that will be used pursuant to a disciplinary action.



#### ARTICLE 24 - LABOR/MANAGEMENT CONFERENCES

The Employer and the Union agree that during the life of this Agreement there shall be a Labor/Management Committee consisting of individuals from both parties (not to exceed five from each) to be designated, in writing, by each party to the other. On a case-by-case basis, the parties may agree to additional representatives. Meetings will be held at mutually agreeable times and places so as to apprise the other of problems, concerns, suggestions, etc., related to the operation and the work force, all to promote better understanding with the other. A written agenda shall be established for each meeting. Such a meeting shall not be construed as opening the Agreement for negotiations, nor shall it constitute a step in the grievance process.

#### ARTICLE 25 - FULL AGREEMENT

The parties acknowledge that during the negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to all proper subjects of collective bargaining, and that all such subjects have been freely discussed and negotiated, and the agreements contained in this Agreement were arrived at after the free exercise of such rights and opportunities. Most particularly, all of the wages and economic fringe benefits to be received by the employees in the bargaining unit are set forth in this Agreement, and the Union will not claim entitlement for any wages or economic fringe benefits not set forth in this Agreement. The Company and the Union, for the life of this Agreement, each agree that the other shall not be obligated to bargain collectively with respect to any subject or matter referred to or covered by this Agreement, whether or not such subject matter was within the knowledge of contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

#### ARTICLE 26 - SUPERVISORS WORKING

26.1 Supervisors shall not be scheduled for customer service in a store unless:

- A. there is an emergency; or
- B. it is necessary to train employees; or
- C. there is introduction of new equipment or processes; or
- D. to cover meals or breaks. It shall not be a violation of this Article for Supervisors to cover vacations and short-term leaves of absence so long as all employees are offered full-time work and covering the shift with a bargaining unit employee

would require the Employer to hire a new employee or schedule overtime.

26.2 This provision shall not be used to erode the bargaining unit.

#### ARTICLE 27 - TIME OFF FOR UNION BUSINESS

27.1 Members of the Union negotiating committee as designated by the Union shall be allowed time off without pay to attend negotiation meetings with the Company, provided at least seven (7) calendar days' notice is provided for each meeting and provided further that such requests can be reasonably accommodated by the Employer.

27.2 An employee elected to Union office or hired by the Union as an employee shall be granted an unpaid leave of absence, not to exceed one (1) year, and without loss of seniority. Should an employee wish to return to work after the leave of up to one year, he must notify the Employer in writing prior to expiration of the leave. The returning employee will be returned to his/her prior position, or if it is not available, to his/her prior job classification held before the leave. In no event shall an employee on leave under this provision accumulate benefit entitlements during such leave.

27.3 Any Sales Associate selected by the Union to attend educational or training meetings or to participate in other Union business or activities (not including the processing of grievances) will be allowed time off without pay and without loss of seniority to attend such meetings, provided:

- A. The Employer is given at least fourteen (14) days advance written notice, and
- B. No employee shall be granted more than ten (10) working days per year for this purpose, and
- C. The number of employees off at one time for this purpose shall not exceed one (1) employee. Requests for such time off without pay shall not be unreasonably denied.

#### ARTICLE 28 – HEALTH AND SAFETY

28.1. The Employer recognizes its obligation to provide a safe and healthy environment for its employees. To assist in accomplishing this goal, it is agreed that the Employer will establish a Health and Safety Committee. Said Committee shall consist of employee and management representatives. The Committee shall meet on a quarterly basis, or as needed or requested by the members of the Committee. The Committee shall meet on work time and bargaining unit committee members shall be paid at their regular rate of pay.

28.2. The Employer shall provide and maintain appropriate anti-skid surfaces including rubber mats where appropriate in areas where skid hazards exist.

#### ARTICLE 29 - SEPARABILITY AND SAVINGS

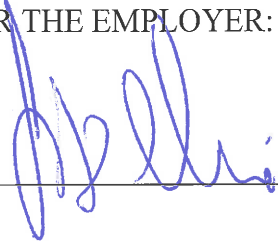
29.1. If any provision of this Agreement or any application of this Agreement to any employee or group of employees is held invalid by operation of law or by a Court or other tribunal of competent jurisdiction, such provision shall be inoperative but all other provisions shall not be affected thereby and shall continue in full force and effect.

29.2. The parties agree to meet promptly to discuss the impact of the affected contract provision and to create a new provision as may be needed. Such discussions shall not "open" the Agreement during its term.

#### ARTICLE 30 – DURATION

This Agreement, when signed by the proper officials of the Employer and the Union below, shall become effective as of the later of the date it is signed and the date it is ratified, and shall continue to be in full force and effect until January 1, 2019.

FOR THE EMPLOYER:

  
Date 7/8/2015

FOR THE UNION:

  
Date 6/24/15

## APPENDIX A - WAGES

	<u>1/1/2014*</u>	<u>1/1/2015*</u>	<u>1/1/2016</u>	<u>1/1/2017</u>	<u>1/1/2018</u>
Sales Associate	\$9.75	\$10.10	\$10.55	\$11.00	\$11.45
Lead Sales Associate	\$11.00	\$11.35	\$11.80	\$12.25	\$12.70

\*This increase will be retroactive only for those employees on the payroll as of the later of the date this Agreement is signed and the date it is ratified.

TRAINING BONUS: When the Employer assigns a “Buddy” to assist the manager in on-the-job training of a new employee, the Sales Associate assigned to be the Buddy shall receive a \$0.50 per hour premium for all hours worked that are spent training the other employee, over a period that is normally two weeks.

In addition to the aforementioned wage increases, employees on the payroll as of the later of the date this Agreement is signed and the date it is ratified will receive a signing bonus of \$100.00.